

*Financial Statements of*

**PROGRESSIVE ACADEMY EDUCATION SOCIETY**

*For the year ended August 31, 2021*

**AUDITED  
FINANCIAL STATEMENTS  
and Supporting Schedules for  
FUNDED PRIVATE SCHOOLS  
FOR THE YEAR ENDED AUGUST 31, 2021**  
Education Act, Section 29  
Private Schools Regulation, Alberta Regulation 93/2019

Progressive Academy Education Society

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

13212 106 Avenue NW, Edmonton, AB, T5N 1A3

**Mailing Address**

Phone: (780) 455-8344 Fax: (780) 455-1425

**Telephone and Fax Numbers**

**These Financial Statements and Supporting Schedules are Audited by:**

William Dale Somerville Professional Corporation,  
Chartered Professional Accountant 6240 97 Street  
NW, Edmonton, Alberta, T6E 3J6

**Name and Address of the Audit Firm**

**Auditor's Signature**

**PRIVATE SCHOOL MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING.**

The financial statements and supporting schedules of

Progressive Academy Education Society

**(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 Canadian Accounting Standards for Not-For-Profit organizations 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 Independent Auditors**

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

**Declaration of Board Chair and Treasurer, Secretary-Treasurer**

To the best of our knowledge and belief, these financial statements and supporting schedules reflect, in all material respects, the financial position as at August 31, 2021 and results of operations, cash flows, and changes in net assets for the year then ended in accordance with Canadian Accounting Standards for Not-For-Profit Organizations and Ministerial requirements for Alberta funded private schools.

**BOARD CHAIR**

C-Anne Robertson

**Name**

*C. Robertson*

**Signature**

**SUPERINTENDENT / PRINCIPAL**

David Eifert

**Name**

*David W. Eifert*

**Signature**

**SECRETARY TREASURER OR TREASURER**

Katherine McKinnon

**Name**

*K. McKinnon*

**Signature**

January 28, 2022

**Board-approved Release Date**

ALBERTA EDUCATION, Financial Reporting and Accountability,  
8th Floor Commerce Place, 10155-102 Street, Edmonton, Alberta T5J 4L5  
E-mail: Maria.Clawson@gov.ab.ca Telephone: (780) 427-7404

*Alberta* Government

# **PROGRESSIVE ACADEMY EDUCATION SOCIETY**

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# W. DALE SOMERVILLE

CHARTERED  
CHARTERED

PROFESSIONAL ACCOUNTANT\*  
ACCOUNTANT\*

\*William Dale Somerville  
Professional Corporation



## Independent Auditor's Report

To the Members of Progressive Academy Education Society

### *Opinion*

I have audited the financial statements of Progressive Academy Education Society, which comprise the statement of financial position as at August 31, 2021, the statements of changes in net assets, operations, and cash flows for the year then ended, schedules 1 through 7, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Society as at August 31, 2021, and its results of operations and its cash flows for the year then ended in accordance with Canadian Accounting Standards for Not-for-Profit Organizations (ASNPO).

### *Basis for Opinion*

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Society in accordance with the ethical requirements that are relevant to my audit of the financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

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

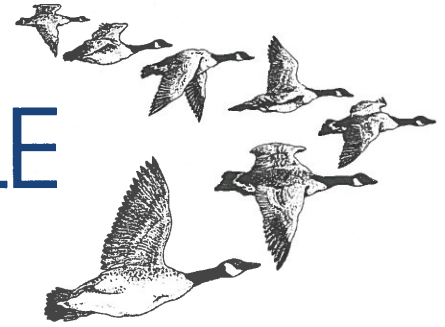
Management is responsible for the preparation and fair presentation of the financial statements in accordance with ASNPO, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing 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 Responsibilities for the Audit of the Financial Statements*

My 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



## Independent Auditor's Report, continued

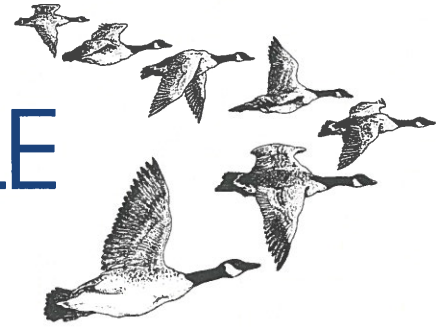
auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud 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, I exercise professional judgment and maintain professional skepticism throughout the audit. I 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 my 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 I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my 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.

# W. DALE SOMERVILLE

CHARTERED PROFESSIONAL ACCOUNTANT\*  
CHARTERED ACCOUNTANT\*

\*William Dale Somerville  
Professional Corporation



## Independent Auditor's Report, continued

I 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 I identify during my audit.

Edmonton, Alberta  
January 28, 2022

William Dale Somerville Professional Corporation  
Chartered Professional Accountant

W. Dale Somerville, FCPA, FCA

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

		AFS 2021	AFS 2020 (NOTE *) x
<b>ASSETS</b>			
Current assets			
Cash and cash equivalents	Note 3	\$1,613,848	\$1,224,556
Accounts receivable (net after allowances)			
Province of Alberta	Note 4	\$9,212	\$109,525
Federal Government and/or First Nations	Note 4	\$37,807	\$246,184
Other accounts receivable	Note 4	\$228,611	\$36,504
Prepaid expenses	Note	\$55,395	\$21,642
Other current assets	Note 5	\$3,730,000	\$3,730,000
<b>Total current assets</b>		<b>\$5,674,872</b>	<b>\$5,368,411</b>
School generated assets	Note	\$0	\$0
Trust assets	Note	\$0	\$0
Other assets	Note	\$0	\$50,000
Capital assets			
Land at cost		\$0	\$0
Buildings at cost		\$0	
Less: accumulated amortization		\$0	\$0
Leasehold improvements at cost		\$22,416	
Less: accumulated amortization		\$0	\$22,416
Equipment at cost		\$116,235	
Less: accumulated amortization		\$70,762	\$45,473
Vehicles at cost		\$308,463	
Less: accumulated amortization		\$45,253	\$263,210
<b>Total capital assets</b>	Note 6	<b>\$331,099</b>	<b>\$242,452</b>
<b>TOTAL ASSETS</b>		<b>\$6,005,971</b>	<b>\$5,660,863</b>
<b>LIABILITIES</b>			
Current liabilities			
Bank indebtedness	Note	\$0	\$0
Accounts payable and accrued liabilities			
Province of Alberta	Note	\$0	\$0
Federal Government and/or First Nations	Note 7	\$225,167	\$160,909
Other payables and accrued liabilities	Note 7	\$419,053	\$270,442
Capital payables	Note	\$0	\$0
Deferred contributions	Note 8	\$373,507	\$269,809
Deferred capital allocations	Note 8	\$34,378	\$67,220
Current portion of long term debt		\$0	\$0
<b>Total current liabilities</b>		<b>\$1,052,105</b>	<b>\$768,380</b>
School generated liabilities	Note	\$0	\$0
Trust liabilities	Note	\$0	\$0
Other liabilities	Note 11	\$18,066	\$74,305
Long term debt			
Debentures & Bonds	Note	\$0	\$0
Capital loans	Note	\$0	\$0
Capital leases	Note	\$0	\$0
Mortgages	Note	\$0	\$0
Other loans	Note	\$0	\$0
Less: Current portion of long term debt	Note	\$0	\$0
Unamortized capital allocations	Note 8	\$9,137	\$4,200
<b>Total long term liabilities</b>		<b>\$27,203</b>	<b>\$78,505</b>
<b>TOTAL LIABILITIES</b>		<b>\$1,079,308</b>	<b>\$846,885</b>
<b>NET ASSETS</b>			
Unrestricted net assets		\$4,604,702	\$4,575,726
Operating reserves		\$0	\$0
<b>Total accumulated surplus (deficit) from operations</b>		<b>\$4,604,702</b>	<b>\$4,575,726</b>
Investment in capital assets		\$321,961	\$238,251
Capital reserves		\$0	\$0
<b>Total capital funds</b>		<b>\$321,961</b>	<b>\$238,251</b>
<b>Total net assets</b>		<b>\$4,926,663</b>	<b>\$4,813,977</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>		<b>\$6,005,971</b>	<b>\$5,660,862</b>

Note: \* Audited Financial Statements (AFS) as submitted to Alberta Education pursuant to Section 29 of the Education Act;  
Private Schools Regulation, Alberta Regulation 93/2019 or as restated.  
Input "(Restated)" in 2020 column heading where not taken from the finalized 2019/2020 Audited Financial Statements.



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

	AFS 2021	Budget 2021 (NOTE *)	AFS 2020 (NOTE *)
		x	x
<b>REVENUES</b>			
Alberta Education (excluding Home Education)	\$1,100,437	\$1,100,234	\$1,047,861
Alberta Education - Home Education	\$1,700	\$3,400	\$3,342
<b>Total Alberta Education Revenues</b>	<b>\$1,102,137</b>	<b>\$1,103,634</b>	<b>\$1,051,203</b>
Other Government of Alberta	\$232,043	\$115,000	\$124,071
Federal Government and/or First Nations	\$201,060	\$0	\$322,643
Other Alberta school authorities	\$0	\$0	\$0
Instructional fees/Tuition fees	\$977,835	\$857,260	\$701,745
Non-instructional fees (O&M, Transportation, Admin, etc.)	\$735,666	\$726,519	\$580,166
Other sales and services	\$487,748	\$446,637	\$353,573
Interest on investments	\$3,730	\$18,000	\$17,532
Gifts and donations	\$27,601	\$8,000	\$26,288
Gross school generated funds	\$0	\$0	\$0
Amortization of capital allocations	\$4,200	\$700	\$700
Other	\$0	\$0	\$0
<b>Total Revenues</b>	<b>\$3,772,019</b>	<b>\$3,275,750</b>	<b>\$3,177,921</b>
<b>EXPENSES</b>			
Certificated salaries (excluding home education)	\$989,773	\$879,077	\$882,575
Certificated benefits	\$100,957	\$96,545	\$96,295
Non-certificated salaries and wages (excluding home education)	\$1,221,115	\$1,062,535	\$906,158
Non-certificated benefits	\$124,554	\$110,985	\$99,498
Services, contracts and supplies other than Consulting fees/Management fees, and leases (excluding home ed.)	\$914,163	\$1,072,609	\$752,510
Consulting / Management Fees	\$0	\$0	\$0
Leases - Building	\$43,750	\$0	\$35,000
Leases - Other	\$6,653	\$3,371	\$5,191
Severe Disabilities / DSEPS (excluding home education)	\$11,526	\$0	\$0
English as a Second Language (excluding home education)	\$36,834	\$36,834	\$39,820
<b>Home Education:</b>			
Certificated salaries	\$943	\$1,800	\$1,583
Certificated benefits	\$96	\$190	\$174
Non-certificated salaries & wages	\$0	\$0	\$0
Non-certificated benefits	\$0	\$0	\$0
Payments to parents who provided home education programs to students	\$850	\$1,700	\$1,671
Contracts	\$0	\$0	\$0
Services and supplies	\$0	\$0	\$0
Gross school generated funds	\$0	\$0	\$0
<b>Capital and debt services</b>			
Amortization of capital assets:			
From restricted funds	\$4,200	\$700	\$700
From unrestricted funds	\$32,162	\$0	\$29,157
Total amortization of capital assets	\$36,362	\$700	\$29,857
Interest on capital debt	\$0	\$0	\$0
Other interest charges	\$0	\$0	\$0
Losses (gains) on disposal of capital assets	\$0	\$0	\$0
Other			
Bad debts	\$171,757	\$0	\$7,224
<b>Total Expenses</b>	<b>\$3,659,334</b>	<b>\$3,266,346</b>	<b>\$2,857,555</b>
<b>SURPLUS (DEFICIT) OF REVENUES OVER EXPENSES</b>	<b>\$112,686</b>	<b>\$9,404</b>	<b>\$320,366</b>
	\$112,686		

Note: \* Input "(Restated)" in Budget 2021 and/or AFS 2020 column headings where comparatives are not taken from the respective finalized 2020/2021 Budget Report and/or finalized 2019/2020 Audited Financial Statements.



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

		AFS 2021	AFS 2020 (NOTE *) x
<b>CASH FLOWS FROM:</b>			
<b>A. OPERATING ACTIVITIES</b>			
Surplus (deficit) of revenues over expenses for the year		\$112,686	\$320,366
Add (Deduct) items not requiring cash:			
Amortization of capital allocations revenue		(\$4,200)	(\$700)
Total amortization expense		\$36,362	\$29,857
Add losses or deduct gains on disposal of capital assets		\$0	\$0
Changes in accrued accounts:			
Accounts receivable		\$116,583	\$5,198
Prepays and other current assets		(\$33,753)	(\$233,126)
Payables and accrued liabilities		\$212,869	(\$245,967)
Deferred contributions		\$103,698	\$7,011
Other (specify): Note 17		(\$79,945)	\$5,975
<b>Total sources (uses) of cash from operations</b>		<b>\$464,301</b>	<b>(\$111,386)</b>
<b>B. INVESTING ACTIVITIES</b>			
Purchases of capital assets:			
Land		\$0	\$0
Buildings		\$0	\$0
Leasehold improvements		(\$22,416)	\$0
Equipment		(\$22,649)	\$0
Vehicles		(\$79,944)	(\$79,233)
Net proceeds from disposal of capital assets		\$0	\$0
Other (specify): Note 18		\$50,000	(\$50,000)
<b>Total sources (uses) of cash from investing activities</b>		<b>(\$75,009)</b>	<b>(\$129,233)</b>
<b>C. FINANCING ACTIVITIES</b>			
Capital contributions received		\$0	\$0
Issuance of long term debt		\$0	\$0
Repayment of long term debt		\$0	\$0
Other (specify):		\$0	\$0
<b>Total sources (uses) from financing activities</b>		<b>\$0</b>	<b>\$0</b>
<b>Net sources (uses) of cash equivalents* * during year</b>		<b>\$389,292</b>	<b>(\$240,619)</b>
<b>Cash equivalents at the beginning of year</b>		<b>\$1,224,556</b>	<b>\$1,465,175</b>
<b>Cash equivalents at the end of year</b>	<b>\$1,613,848</b>	<b>\$1,613,848</b>	<b>\$1,224,556</b>
			<b>\$1,224,556</b>

NOTE: \* Input "(Restated)" in 2020 column heading where not taken from the finalized 2019/2020 Audited Financial Statements.

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

Private School Authority Code: 9225  
School Code: 7938

**STATEMENT OF CHANGES IN NET ASSETS**  
**for the Year Ended August 31, 2021**  
(in dollars)

	(1) TOTAL NET ASSETS NET ASSETS (Columns 2+3+4)	(2) INVESTMENT IN CAPITAL ASSETS	(3) UNRESTRICTED NET ASSETS (+, -)	(4) TOTAL RESTRICTED NET ASSETS (Columns 5 to 8)	(5) RESTRICTED NET ASSETS				(8)
					(6) OPERATING RESERVES		(7) CAPITAL RESERVES		
					Grades K to 12	External Services	Grades K to 12	External Services	
Balance at August 31, 2020	\$4,813,977	\$238,251	\$4,575,726	\$0	\$0	\$0	\$0	\$0	\$0
Prior period adjustments (specify):									
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Adjusted balance, August 31, 2020	\$4,813,977	\$238,251	\$4,575,726	\$0	\$0	\$0	\$0	\$0	\$0
Surplus(deficit) of revenues over expenses (from page 3)	\$112,686		\$112,686						
Capital asset acquisitions (less financed and/or less capital contributions received)		\$125,009	(\$125,009)	\$0	\$0	\$0	\$0	\$0	\$0
Donations of non-amortizable assets	\$0	\$0							
Amortization of capital assets (expense) *		(\$36,362)	\$36,362						
Amortization of capital allocations (revenue) **		\$4,200	(\$4,200)						
Disposal of capital assets		\$0	\$0	\$0			\$0	\$0	\$0
Debt principal payments ***		\$0	\$0						
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	(\$9,137)	\$9,137						
William D. ... Increase in unamortized capital allocations									
Balance at August 31, 2021	\$4,926,663	\$321,961	\$4,604,702	\$0	\$0	\$0	\$0	\$0	\$0

Notes:  
\* 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, 2021**

Private School Authority Code:  
School Code:

9225  
7938

REVENUES	TOTAL	Home Education and Shared Responsibility	Pre-Kindergarten (Pre-K)	Kindergarten (K)	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
<b>Alberta Education allocations</b>									
(1) Base Instruction	\$594,460		\$46,346	\$115,866	\$432,248				
Distance Education:									
(2) Grades 10 to 12 - online (> = 30 Completed Credits)	\$0				\$0				
(3) Grades 10 to 12 - online (< 30 Completed Credits)	\$0				\$0				
(4) Summer School	\$185,952				\$185,952				
(5) Home Education and Shared Responsibility	\$1,700	\$1,700			\$0				
(6) ECS Mid/Moderate Disabilities/Delays, Gifted and Talented	\$42,772		\$28,515	\$14,257					
(7) Severe Disabilities	\$11,526				\$11,526				
(8) Designated Special Education (DSEPS)	\$0				\$0				
(9) ECS Program Unit (PUF)	\$92,560		\$0	\$92,560					
(10) Institutional Programs	\$0				\$0				
(11) English as a Second Language (ESL)	\$36,834		\$7,813	\$5,581	\$23,440				
(12) First Nations, Metis, and Inuit Education	\$0				\$0				
(13) Operations and Maintenance Grant	\$71,708		\$2,684	\$6,711	\$0	\$62,313			
(14) System Administration	\$46,151		\$3,455	\$8,638	\$34,058			\$0	
(15) Community Supports Grant	\$18,354				\$18,354				
(16) Transportation Grant (ECS)	\$0		\$0	\$0					
(17) SuperNet Services	\$0		\$0	\$0	\$0				
(18) Other - Alberta Education (specify):	\$120	\$0	\$0	\$0	\$120				
<b>TOTAL ALBERTA EDUCATION ALLOCATIONS</b>	<b>\$1,102,137</b>	<b>\$1,700</b>	<b>\$88,814</b>	<b>\$243,613</b>	<b>\$705,688</b>	<b>\$62,313</b>	<b>\$0</b>	<b>\$0</b>	<b>\$232,043</b>
(19) Other Government of Alberta	\$232,043	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$48,481
(20) Federal Government and/or First Nations	\$201,060	\$0	\$10,514	\$26,285	\$82,690	\$8,806	\$8,262	\$16,021	\$0
(21) Other Alberta school authorities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(22) Instructional fees / tuition fees	\$977,835	\$0	\$71,039	\$150,261	\$756,535		\$17,787	\$317,047	\$0
(23) Non-instructional fees (OSM, Transport, Admin, etc.)	\$735,666	\$0	\$50,678	\$126,695	\$0	\$223,459		\$0	\$453,005
(24) Other sales and services	\$487,748	\$0	\$0	\$0	\$0	\$34,743		\$0	\$0
(25) Interest on investments	\$3,730	\$0	\$0	\$0	\$3,730	\$0	\$0	\$0	\$0
(26) Gifts and donations	\$27,601	\$0	\$0	\$0	\$27,601	\$0	\$0	\$0	\$0
(27) Gross school generated funds	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(28) Amortization of capital allocations	\$4,200	\$0	\$0	\$0	\$0	\$4,200	\$0	\$0	\$0
(29) Other (specify):	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>TOTAL REVENUES</b>	<b>\$3,772,019</b>	<b>\$1,700</b>	<b>\$221,045</b>	<b>\$546,855</b>	<b>\$1,576,252</b>	<b>\$333,521</b>	<b>\$26,049</b>	<b>\$333,069</b>	<b>\$733,530</b>
<b>EXPENSES</b>									
(30) Certificated salaries	\$990,716	\$943	\$53,366	\$133,414	\$776,509			\$26,485	\$0
(31) Certificated benefits	\$101,053	\$96	\$5,443	\$13,608	\$79,204			\$2,701	\$0
(32) Non-certificated salaries and wages	\$1,221,115	\$0	\$65,060	\$162,651	\$153,924	\$99,186	\$93,058	\$153,973	\$493,264
(33) Non-certificated benefits	\$124,554	\$0	\$6,636	\$16,590	\$15,700	\$10,117	\$9,492	\$15,705	\$50,313
<b>SUB-TOTAL</b>	<b>\$2,437,438</b>	<b>\$1,039</b>	<b>\$130,505</b>	<b>\$326,263</b>	<b>\$1,025,337</b>	<b>\$109,303</b>	<b>\$102,550</b>	<b>\$198,965</b>	<b>\$543,577</b>
Services, contracts & supplies - other than Consulting fees / Management fees, and leases	\$915,013	\$850	\$41,245	\$103,113	\$514,915	\$106,783	\$25,305	\$24,556	\$98,247
Consulting / Management Fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(35) Leases - Building	\$43,750	\$0	\$1,429	\$3,571	\$0	\$30,000	\$0	\$0	\$8,750
(36) Leases - Other	\$6,653	\$0	\$420	\$1,049	\$3,331	\$0	\$0	\$372	\$1,481
(37) Severe Disabilities / DSEPS	\$11,526				\$11,526				
(38) English as a Second Language (ESL)	\$36,834	\$0	\$7,813	\$5,581	\$23,440	\$0	\$0	\$0	\$0
(39) Gross school generated funds	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Capital and debt services</b>									
(40) Amortization of capital assets from restricted funds	\$4,200	\$0	\$0	\$0	\$0	\$4,200	\$0	\$0	\$0
(41) Amortization of capital assets from unrestricted funds	\$32,162	\$0	\$0	\$0	\$0	\$32,162	\$0	\$0	\$0
(42) Interest on capital debt	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(43) Other interest charges	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(44) Losses (gains) on disposal of capital assets	\$171,757	\$0	\$0	\$0	\$89,141	\$0	\$0	\$0	\$82,616
(45) Bad Debts	\$3,659,333	\$1,889	\$181,412	\$439,578	\$1,667,688	\$282,448	\$127,855	\$223,792	\$734,670
<b>Other (specify):</b>									
<b>TOTAL EXPENSES</b>	<b>\$112,686</b>	<b>(\$189)</b>	<b>\$39,633</b>	<b>\$107,277</b>	<b>(\$91,436)</b>	<b>\$51,072</b>	<b>(\$101,807)</b>	<b>\$109,276</b>	<b>(\$1,140)</b>
<b>Surplus(deficit) of revenues over expenses</b>	<b>\$3,659,333</b>								
	<b>\$112,686</b>			<b>\$107,277</b>					

Private School Authority Code: 9225  
School Code: 7938

**SCHEDULE 2**  
**ANALYSIS OF EARLY CHILDHOOD SERVICES (Pre-Kindergarten (Pre-K) and Kindergarten (K)) REVENUES AND EXPENSES**  
**for the Year Ended August 31, 2021**

	2021 AFS		2020 AFS**
	ECS		ECS
	Pre-Kindergarten (Pre-K)	Kindergarten (K)	(Pre-K) and (K) x
<b>REVENUES</b>			
<b>Alberta Education *</b>			
Base Instruction	\$46,346	\$115,866	\$160,315
Mild/Moderate Disabilities/Delays, Gifted & Talented	\$28,515	\$14,257	\$39,788
Program Unit (PU)	\$0	\$92,560	\$100,205
English as a Second Language (ESL)	\$7,813	\$5,581	\$15,904
Transportation	\$0	\$0	\$0
Operations and Maintenance	\$2,684	\$6,711	\$22,269
Administration	\$3,455	\$8,638	\$18,278
SuperNet Services	\$0	\$0	\$0
Other-Alberta Education	\$0	\$0	\$2,424
<b>Total Alberta Education Revenues</b>	<b>\$88,814</b>	<b>\$243,613</b>	<b>\$359,183</b>
<b>Instruction fees</b>	<b>\$71,039</b>	<b>\$150,261</b>	<b>\$178,297</b>
<b>Non-instructional fees</b>	<b>\$50,678</b>	<b>\$126,695</b>	<b>\$237,177</b>
<b>All other revenues</b>	<b>\$10,514</b>	<b>\$26,285</b>	<b>\$0</b>
<b>TOTAL REVENUES* * *</b>	<b>\$221,045</b>	<b>\$546,855</b>	<b>\$774,657</b>
<b>EXPENSES</b>			
<b>Instruction</b>	<b>\$148,785</b>	<b>\$371,962</b>	<b>\$586,563</b>
<b>Parent resources, coordination and teacher in-service</b>	<b>\$0</b>	<b>\$0</b>	<b>\$366</b>
<b>Food services program</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Administration</b>	<b>\$9,594</b>	<b>\$23,985</b>	<b>\$44,791</b>
<b>Operations &amp; maintenance</b>	<b>\$11,138</b>	<b>\$27,846</b>	<b>\$34,559</b>
<b>Transportation</b>	<b>\$4,081</b>	<b>\$10,204</b>	<b>\$13,933</b>
<b>English as a Second Language (ESL)</b>	<b>\$7,813</b>	<b>\$5,581</b>	<b>\$15,904</b>
<b>SuperNet Services</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>All other expenses</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>TOTAL EXPENSES* * *</b>	<b>\$181,412</b>	<b>\$439,577</b>	<b>\$696,116</b>
<b>SURPLUS (DEFICIT) OF REVENUES OVER EXPENSES</b>	<b>\$39,633</b>	<b>\$107,277</b>	<b>\$78,541</b>
	\$39,633	\$107,277	

\*Alberta Education Revenues as per Funding Manual for School Authorities in the 2020/2021 School Year under the Early Childhood Services section.

\*\*Input "(Restated)" in AFS 2020 column heading where not taken from the finalized 2019/2020 Audited Financial Statements and Supporting Schedules.

\*\*\*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: 9225  
 School Code: 7938

**SCHEDULE 3 \***  
**ANALYSIS OF EARLY CHILDHOOD SERVICES (Pre-Kindergarten (Pre-K ) and Kindergarten (K)) PROGRAM UNIT EXPENSES**  
**for the Year Ended August 31, 2021**

	2021 AFS		2020 AFS * *
	ECS		ECS
	Pre-Kindergarten (Pre-K)	Kindergarten (K)	(Pre-K) and (K) x
<b>Instruction</b>			
Salaries & wages (non-certificated)	\$0	\$45,095	\$56,906
Benefits (non-certificated)	\$0	\$4,600	\$6,248
Specialized services and supports	\$0	\$1,801	\$21,180
Supplies and materials	\$0	\$69	\$486
<b>Parent and staff in-service</b>	\$0	\$0	\$366
<b>Transportation</b>	\$0	\$0	\$0
<b>Specialized equipment &amp; furniture (child specific). Please specify:</b>	\$0	\$0	\$0
<b>Total</b>	<b>\$0</b>	<b>\$51,564</b>	<b>\$85,187</b>

**Note:** \* Designated Special Education ECS Programs do not need to complete this schedule. Costs for these programs will be reported in Schedule 2.

\* \* Input "(Restated)" in AFS 2020 column heading where not taken from the finalized 2019/2020 Audited Financial Statements and Supporting Schedules.

Private School Authority Code:

9225

School Code:

7938

**SCHEDULE 5****INSTRUCTIONAL AND NON-INSTRUCTIONAL TUITION / FEES**

for the Year Ended August 31, 2021

	Child/ Student Count 2020/2021	Tuition/Fees per child/student 2020/2021	ECS Total Tuition/Fees 2020/2021	Grades 1 to 12 Total Tuition/Fees 2020/2021	Child/ Student count 2019/2020	Tuition/Fees per child/student 2019/2020	ECS Total Tuition/Fees 2019/2020	Grades 1 to 12 Total Tuition/Fees 2019/2020
<b>Instructional</b>								
Instruction - Kindergarten (K)	15	\$5,002	\$75,023		13	\$3,368	\$43,788	
Instruction (K) (additional child per family)	20	\$3,150	\$62,996		18	\$3,262	\$58,714	
Instruction - Pre-Kindergarten (Pre-K)	6	\$5,672	\$34,033		7	\$3,688	\$25,813	
Instruction (Pre-K) (additional child per family)	8	\$4,626	\$37,006		10	\$3,040	\$30,398	
Instruction grades 1 to 6	45	\$5,002		\$225,068	36	\$3,946		\$142,067
Instruction grades 1 to 6 (additional student per family)	60	\$3,641		\$218,446	48	\$3,047		\$146,242
Instruction grades 7 to 9	9	\$5,002		\$45,014	9	\$3,946		\$35,517
Instruction grades 7 to 9 (additional student per family)	15	\$3,757		\$56,361	15	\$3,124		\$46,857
Instruction grades 10 to 12	179	\$897		\$160,533	121	\$556		\$67,291
Instruction grades 10 to 12 (additional student per family)	0	\$0		\$0	0	\$0		\$0
Other Instruction Fees / Tuition (ECS and grades 1 to 12) (describe)			\$12,242	\$51,113			\$19,585	\$85,474
<b>Instructional - Maximum amount</b>		<b>\$5,672</b>				<b>\$3,946</b>		
<b>Instructional - Tuition/Fees - TOTAL</b>	<b>357</b>		<b>\$221,300</b>	<b>\$756,535</b>	<b>277</b>		<b>\$178,297</b>	<b>\$523,448</b>
<b>Non-Instructional</b>								
Operations and Maintenance of Schools ECS	49	\$1,636	\$80,143		48	\$987	\$47,365	
Operations and Maintenance of Schools (grades 1 to 6)	105	\$1,619		\$170,023	84	\$1,024		\$86,042
Operations and Maintenance of Schools (grades 7 to 9)	24	\$1,619		\$38,862	24	\$1,024		\$24,583
Operations and Maintenance of Schools (grades 10 to 12)	179	\$81		\$14,574	121	\$68		\$8,194
<b>Operations and Maintenance of Schools - Total</b>			<b>\$80,143</b>	<b>\$223,460</b>			<b>\$47,365</b>	<b>\$118,820</b>
Transportation ECS	4	\$613	\$2,453		6	\$438	\$2,630	
Transportation (grades 1 to 6)	19	\$613		\$11,653	17	\$438		\$7,452
Transportation (grades 7 to 9)	8	\$613		\$4,907	7	\$438		\$3,068
Transportation (grades 10 to 12)	2	\$613		\$1,227	2	\$438		\$877
<b>Transportation - Total</b>			<b>\$2,453</b>	<b>\$17,787</b>			<b>\$2,630</b>	<b>\$11,397</b>
Board and System Administration ECS	49	\$1,934	\$94,777		48	\$2,280	\$109,455	
Board and System Administration (grades 1 to 6)	105	\$1,917		\$201,280	84	\$2,357		\$197,999
Board and System Administration (grades 7 to 9)	24	\$1,917		\$46,007	24	\$2,357		\$56,571
Board and System Administration (grades 10 to 12)	179	\$390		\$69,760	121	\$297		\$35,929
<b>Board and System Administration - Total</b>			<b>\$94,777</b>	<b>\$317,046</b>			<b>\$109,455</b>	<b>\$290,499</b>
Other Non-Instructional Fees (ECS and grades 1 to 12) (describe)			\$0	\$0			\$0	\$0
<b>Non-Instructional - Maximum amount</b>		<b>\$1,934</b>				<b>\$2,357</b>		
<b>Non-Instructional Fees - TOTAL</b>			<b>\$177,374</b>	<b>\$558,293</b>			<b>\$159,450</b>	<b>\$420,715</b>
<b>Instructional and Non-Instructional Tuition/Fees - TOTAL</b>	<b>357</b>		<b>\$398,673</b>	<b>\$1,314,828</b>	<b>277</b>		<b>\$337,748</b>	<b>\$944,163</b>

Description/Explanation:

Schedule 6 Related Party for the Year Ended August 31, 2021						Private School Authority Code: 9225	School Code: 7938
Details of Transactions	Related Party to Management and/or Executives, Superintendent, Principal, Secretary/Treasurer, Chief Financial Officer:	Related Party to Board Chair/President:		Related Party to Board of Directors:			
	2020	2021	2020	2021	2020	2021	2020
Person's Name (Related Party to, e.g. manager (provide name), Superintendent)	Please refer to Note 5 - Due from Related Parties for the details of related party transactions and balances due to or from related parties.						
Name of a Corporation/ Business (Related Party to, provide name)							
Relationship of Related Party and related to who?							
Transaction Description/Amount							
	2021	2020					
Role/Job/ Position of a Related Party with School Authority (provide name and position)							
Related Party Remuneration, Benefits, Bonuses, and other expenses (provide name and amount)							
Lease/Rent to/from Related Party (provide name, type, and amount)							
School donated/gifted funds to Related Party, and/or Sales of Capital Assets to Related Party (provide type, amount and purpose)							
School provided a loan to a Related Party and/or a guarantee on the bank loans of the Related Party (provide amount of loan and/or amount of the guarantee, type & purpose)							



Private School Authority Code: <b>9225</b>						
School Code: <b>7938</b>						
<b>SCHEDULE 7</b>						
<b>ALLOCATION OF COVID-19 REVENUES AND EXPENSES</b>						
<b>for the Year Ended August 31, 2021</b>						
REVENUES	TOTAL	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)
Alberta Education Covid allocations	\$0	\$0	\$0	\$0	\$0	\$0
Federal Government and/or First Nations	\$54,600	\$0	\$54,600	\$0	\$0	\$0
Other (specify): CEWS and CWB	\$165,692	\$42,355	\$83,646	\$11,532	\$12,138	\$16,021
<b>TOTAL REVENUES</b>	<b>\$220,292</b>	<b>\$42,355</b>	<b>\$138,246</b>	<b>\$11,532</b>	<b>\$12,138</b>	<b>\$16,021</b>
<b>EXPENSES</b>						
Certificated salaries	\$79,436	\$11,348	\$68,088			\$0
Certificated benefits	\$8,103	\$1,158	\$6,945			\$0
Non-certificated salaries and wages	\$14,511	\$2,073	\$0	\$12,438	\$0	\$0
Non-certificated benefits	\$1,480	\$211	\$0	\$1,269	\$0	\$0
<b>Services, contracts &amp; supplies:</b>						
Adaptation of learning spaces	\$14,110	\$2,016	\$12,094	\$0	\$0	\$0
Testing, sanitation supplies	\$566	\$81	\$0	\$485	\$0	\$0
Personal protective equipment	\$198	\$28	\$170	\$0	\$0	\$0
Remote learning supports	\$2,973	\$425	\$2,548	\$0	\$0	\$0
Transportation costs	\$0	\$0	\$0	\$0	\$0	\$0
Health and safety training for staff	\$0	\$0	\$0	\$0	\$0	\$0
Other (specify):	\$0	\$0	\$0	\$0	\$0	\$0
<b>TOTAL EXPENSES</b>	<b>\$121,378</b>	<b>\$17,340</b>	<b>\$89,846</b>	<b>\$14,192</b>	<b>\$0</b>	<b>\$0</b>
<b>Surplus(deficit) of revenues over expenses</b>	<b>\$98,914</b>	<b>\$25,015</b>	<b>\$48,400</b>	<b>(\$2,660)</b>	<b>\$12,138</b>	<b>\$16,021</b>

# PROGRESSIVE ACADEMY EDUCATION SOCIETY

## Notes to the Financial Statements

August 31, 2021

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### 1. NATURE OF OPERATIONS

Progressive Academy Education Society delivers education programs under the authority of the School Act, Chapter S-3, Revised Statutes of Alberta, 2000. The Society is incorporated under the Societies Act. The Society is a registered charity and is exempt from federal income tax under Section 149(1)(f) of the Income Tax Act.

### 2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements are prepared by management in accordance with Canadian accounting standards for not-for-profit organizations.

The significant accounting policies used are as follows:

#### (a) Cash and cash equivalents

Cash and cash equivalents include cash and short-term investments with maturities of three months or less from their date of acquisition, which are readily convertible into a known amount of cash, and are subject to an insignificant risk to changes in their fair value.

#### (b) Capital assets

Capital assets are recorded at cost. The Society provides for amortization using the straight-line method at rates designed to amortize the cost of the capital assets over their estimated useful lives. The annual amortization rates are as follows:

Equipment	5 to 10 years
Vehicles	10 years

Amortization of leasehold improvements is recorded over the remaining term of the lease plus one renewal period.

Capital assets are reviewed for impairment whenever events or changes in the circumstances indicate that the carrying value may not be recoverable. If the total of the estimated undiscounted future cash flows is less than the carrying value of the asset, an impairment loss is recognized for the excess of the carrying value over the fair value of the asset during the year the impairment occurs.

Capital assets with costs in excess of \$5,000 are capitalized. Any capital allocations received for asset additions are amortized into revenue over the same period as the amortization expense.

No amortization is recorded in the year of purchase.

#### (c) Investments

The Society follows the cost method of accounting for its investments, written down for any permanent impairment in value.

# **PROGRESSIVE ACADEMY EDUCATION SOCIETY**

## **Notes to the Financial Statements**

**August 31, 2021**

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### **2. SIGNIFICANT ACCOUNTING POLICIES, continued**

#### **(d) Net assets**

Unrestricted net assets represents the portion of expendable funds that are available for support of the Society's operations.

Net assets invested in capital assets represents the carrying value of capital assets less unamortized deferred capital contributions, and long-term debt payable.

#### **(e) Operating and capital reserves**

Reserves are established at the discretion of the Board of Directors of the Society to set aside funds for operating and capital purposes. Such reserves are appropriations of unrestricted net assets.

#### **(f) Revenue recognition**

Instruction and support funding allocations are recognized as revenue in the year to which they relate.

Fees for services related to courses and programs are recognized as revenue when such courses and programs are delivered.

Unrestricted contributions are recognized as revenue when received or receivable. Contributions in-kind are recorded at fair market value when reasonable determinable.

Externally restricted contributions are deferred and recognized as revenue in the period in which the restriction is complied with. Endowment funds, which are to be retained as net assets, are recorded as direct increases in trust assets and liabilities.

#### **(g) Contributed services**

Volunteers contribute a considerable number of hours each year to the Society to ensure that certain programs are delivered, such as kindergarten, lunch services and the raising of school generated funds. Contributed services are not recognized in these financial statements.

#### **(h) School generated funds**

These are funds which come under the control and responsibility of the school principal and are for school activities. These funds are usually collected and retained at the school for expenditures paid at the school level (e.g. yearbook sales, graduation fees and field trip fees).

# PROGRESSIVE ACADEMY EDUCATION SOCIETY

## Notes to the Financial Statements

August 31, 2021

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### 2. SIGNIFICANT ACCOUNTING POLICIES, continued

#### (i) Financial instruments

##### (i) Measurement of financial instruments

The Society initially measures its financial assets and liabilities at fair value, except for certain related party transactions that are measured at the carrying amount or exchange amount, as appropriate.

The Society subsequently measures all its financial assets and financial liabilities at cost or amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in surplus of revenues over expenditures in the period incurred.

Financial assets measured at amortized cost on a straight-line basis include cash and cash equivalents, accounts receivable and amounts due from related parties.

Financial liabilities measured at amortized cost on a straight-line basis include accounts payable and accrued liabilities and other liabilities.

##### (ii) Impairment

For financial assets measured at cost or amortized cost, the Society determines whether there are indications of possible impairment. When there is an indication of impairment, and the Society determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows, a write-down is recognized in surplus of revenues over expenditures. A previously recognized impairment loss may be reversed to the extent of the improvement. The carrying amount of the financial asset may not be greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in surplus of revenues over expenditures.

##### (iii) Transaction costs

Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

#### (j) Controlled and related entities

The Society applies CPA Handbook Section 4450 - Reporting Controlled and Related Entities by Not-for-Profit Organizations to account for entities in which it has an economic interest. An economic interest exists if another entity holds resources for the benefit of the reporting organization. Entities in which the Society has an economic interest are not consolidated with the Society. Any transaction with an entity in which the Society has an economic interest is recorded at the amount agreed upon by the parties.

# PROGRESSIVE ACADEMY EDUCATION SOCIETY

## Notes to the Financial Statements

August 31, 2021

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### 2. SIGNIFICANT ACCOUNTING POLICIES, continued

#### (k) Measurement uncertainty

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amount of revenues and expenses during the reporting period. These estimates are reviewed periodically, and as adjustments become necessary they are reported in income in the period in which they become known. Estimates are used when accounting for certain items such as allowance for doubtful accounts, the useful life of capital assets, and allocations of expenses to programs.

#### (l) Allocation of expenses

The Society allocates expenses for salaries, benefits and services, contracts and supplies other than consulting fees/management fees, and leases (excluding home education) to programs on the schedules to the financial statements.

Expenses for salaries and benefits are allocated to the related program based on management's estimate of what percentage of the individual's typical schedule relates to each program.

Expenses for services, contracts and supplies other than consulting fees/management fees, and leases (excluding home ed.) are allocated to the related program if the expense is incurred for that specific program. If the expense is not directly related to one specific program, it is allocated to the programs based on the number of students in the program during a given school year.

### 3. CASH AND CASH EQUIVALENTS

	<u>2021</u>	<u>2020</u>
Cash	\$ 1,580,824	\$ 1,157,588
Restricted cash - Alberta Gaming, Liquor and Cannabis Commission (AGLC)	<u>33,024</u>	<u>66,968</u>
	<u>\$ 1,613,848</u>	<u>\$ 1,224,556</u>

Funds received from AGLC are restricted for specific uses. (Note 10)

# PROGRESSIVE ACADEMY EDUCATION SOCIETY

## Notes to the Financial Statements

August 31, 2021

### 4. ACCOUNTS RECEIVABLE

	<u>2021</u>	<u>2020</u>
Province of Alberta		
Alberta Education	\$ -	\$ 104,267
Alberta Children and Youth Services	<u>9,212</u>	<u>5,258</u>
	9,212	109,525
Federal Government and/or First Nations		
Canada Emergency Wage Subsidy receivable	33,021	241,491
Grant receivable - Canada Summer Jobs	4,786	4,694
Other Accounts Receivable		
Tuition receivable	326,692	68,772
Other receivables	23,329	-
Allowance for doubtful accounts	<u>(121,410)</u>	<u>(32,269)</u>
	<u>\$ 275,630</u>	<u>\$ 392,213</u>

### 5. DUE FROM RELATED PARTIES

(a) During the year, the Society entered into transactions with the following related parties:

309566 Alberta Ltd., a company controlled by the Society's executive director;  
Russell Weir, the Society's executive director; and  
Progressive Academy Land Trust, a trust controlled by the Society's president and its executive director.

(b) Transactions

These transactions are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

	<u>2021</u>	<u>2020</u>
Revenue		
Proceeds on sale of shares of 309566 Alberta Ltd. to Russell Weir	<u>\$ -</u>	<u>\$ 55,000</u>
Expenses		
Rent paid to Progressive Academy Land Trust	\$ 43,750	\$ 35,000
Unrecoverable advances - 309566 Alberta Ltd.	<u>82,616</u>	<u>-</u>
	<u>\$ 126,366</u>	<u>\$ 35,000</u>
Cash received (paid)		
Advances to 309566 Alberta Ltd.	<u>\$ (32,616)</u>	<u>\$ (50,000)</u>

# PROGRESSIVE ACADEMY EDUCATION SOCIETY

## Notes to the Financial Statements

August 31, 2021

### 5. DUE FROM RELATED PARTIES, continued

#### (c) Due from related parties

	<u>2021</u>	<u>2020</u>
Progressive Academy Land Trust	\$ 3,675,000	\$ 3,675,000
Russell Weir	55,000	55,000
309566 Alberta Ltd.	<u>-</u>	<u>50,000</u>
	3,730,000	3,780,000
Less current portion	<u>3,730,000</u>	<u>3,730,000</u>
Due beyond one year	<u>\$ -</u>	<u>\$ 50,000</u>

Subsequent to the year ended August 31, 2021, the Society obtained a license to operate a daycare and will no longer require the license held by 309566 Alberta Ltd. to operate Mount Pleasant Daycare. The Society does not anticipate recovering the advances to 309566 Alberta Ltd. and amounts advanced up to August 31, 2021 are charged to bad debts on the Statement of Operations.

The balance due from Progressive Academy Land Trust is unsecured, non-interest bearing with no specific terms of repayment. Upon demand of the Society, the balance due from Progressive Academy Land Trust can be converted into a promissory note bearing interest at a rate equal to the rate paid by the Bank of Montreal on five-year term deposits of \$100,000 to \$500,000.

During the 2020 fiscal year the Society purchased shares of 309566 Alberta Ltd. (operating as Mount Pleasant Daycare) from an arm's length party for \$55,000. During the 2020 fiscal year the Society sold these same shares to the Russell Weir for proceeds of \$55,000 paid by the issuance of a promissory note. The promissory note due from Russell Weir is unsecured, non-interest bearing and payable on demand.



# PROGRESSIVE ACADEMY EDUCATION SOCIETY

## Notes to the Financial Statements

August 31, 2021

### 5. DUE FROM RELATED PARTIES, continued

- (d) The Society is committed under the terms of a lease with the Progressive Academy Land Trust to occupy the Progressive Academy Land Trust's land and building for a term of 25 years. Base rent under the lease is determined as \$1.00 per square foot, increasing by \$0.25 per square foot per year. Future lease payments for the next five years are as follows:

2021	\$ 52,500
2022	61,250
2023	70,000
2024	78,750
2025	<u>87,500</u>
	<u>\$ 350,000</u>

The Society is a named beneficiary of the Progressive Academy Land Trust which holds the land and building from which the Society operates. The executive director and the president of the Society are the trustees of the Progressive Academy Land Trust.

### 6. CAPITAL ASSETS

	<u>2021</u>		<u>2020</u>	
	<u>Cost</u>	<u>Accumulated amortization</u>	<u>Net</u>	<u>Net</u>
Equipment	\$ 116,235	\$ 70,762	\$ 45,473	\$ 36,335
Vehicles	308,463	45,253	263,210	206,117
Leasehold improvements	<u>22,416</u>	<u>-</u>	<u>22,416</u>	<u>-</u>
	<u>\$ 447,114</u>	<u>\$ 116,015</u>	<u>\$ 331,099</u>	<u>\$ 242,452</u>

During the year ended August 31, 2021 a photocopier with a net book value of \$4,200 was disposed of for \$nil proceeds.

# PROGRESSIVE ACADEMY EDUCATION SOCIETY

## Notes to the Financial Statements

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### 7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	<u>2021</u>	<u>2020</u>
Trade payables	\$ 362,814	\$ 214,247
Goods and Services Tax payable	123,005	144,360
Current portion of employee retirement benefit	55,100	55,100
Source deductions payable	102,163	16,551
Current portion of City of Edmonton local improvement charge	<u>1,138</u>	<u>1,093</u>
	<u>\$ 644,220</u>	<u>\$ 431,351</u>

### 8. DEFERRED REVENUE

	<u>Balance, beginning of year</u>	<u>Received</u>	<u>Recognized</u>	<u>Balance, end of year</u>
Tuition and registration fees	\$ 269,809	\$ 391,012	\$ (287,314)	\$ 373,507
Unamortized non-cash gift - photocopier	4,200	-	(4,200)	-
Deferred Capital Allocations (Note 10)	67,220	1,198	(34,040)	34,378
Unamortized capital allocations	<u>-</u>	<u>9,137</u>	<u>-</u>	<u>9,137</u>
	<u>\$ 341,229</u>	<u>\$ 401,347</u>	<u>\$ (325,554)</u>	<u>\$ 417,022</u>

### 9. COMMITMENTS

The Society is committed under the terms of a lease of office equipment to annual lease payments as follows:

2022	\$ 8,206
2023	3,660
2024	3,660
2025	3,660
2026	<u>2,135</u>
	<u>\$ 21,321</u>

# PROGRESSIVE ACADEMY EDUCATION SOCIETY

## Notes to the Financial Statements

August 31, 2021

### 10. DEFERRED CAPITAL ALLOCATIONS

Deferred capital allocations represent externally and internally restricted capital contributions provided for specific purposes that have been received or are receivable by the Society, but the related expenditures have not been made. Deferred capital allocations are not recognized as revenue until the related expenditure has been made.

Deferred capital allocations for amounts received from AGLC are as follows:

	<u>2021</u>	<u>2020</u>
Opening balance	\$ 67,220	\$ 5,051
Casino proceeds received	-	76,053
Interest earned	96	88
GST rebate on amounts expended	<u>1,102</u>	<u>-</u>
	68,418	81,192
Less: Amounts expended on capital assets	(9,137)	-
Less: Amounts expended on operating expenses	<u>(24,903)</u>	<u>(13,972)</u>
	<u>\$ 34,378</u>	<u>\$ 67,220</u>

### 11. OTHER LIABILITIES

	<u>2021</u>	<u>2020</u>
City of Edmonton local improvement charge	\$ 19,205	\$ 20,298
Less current portion	(1,138)	(1,093)
Employee retirement obligation (Note 12)	55,100	110,200
Less current portion	<u>(55,100)</u>	<u>(55,100)</u>
	<u>\$ 18,067</u>	<u>\$ 74,305</u>

The Society has two local improvement charges outstanding with the City of Edmonton. The local improvement charge for decorative street lighting expires in 2030 and bears interest at 2.462%. Estimated principal repayments are as follows:

2022	\$ 279
2023	286
2024	293
2025	301
2026	308
Years thereafter	<u>1,310</u>
	<u>\$ 2,777</u>

# PROGRESSIVE ACADEMY EDUCATION SOCIETY

## Notes to the Financial Statements

August 31, 2021

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### 11. OTHER LIABILITIES, continued

The local improvement charge for concrete walk reconstruction expires in 2035 and bears interest at 4.650%. Estimated principal repayments are as follows:

2022	\$ 859
2023	899
2024	940
2025	984
2026	1,030
Years thereafter	<u>11,715</u>
	<u>\$ 16,427</u>

### 12. EMPLOYEE RETIREMENT OBLIGATION

During a prior year (2019), the Society agreed to a retirement benefit to an employee in the amount of \$221,400. This benefit is being paid to the employee over multiple years. The final payment of \$55,100 will be made during the year ending August 31, 2022.

### 13. CREDIT FACILITY

A Royal Bank of Canada Commercial Avion Visa facility in the amount of \$75,000 (2020 - \$75,000), due on demand and bearing interest at 19.99% (2020 - 19.99%) is available to the Society. The amount outstanding included in accounts payable and accrued liabilities at August 31, 2021 was \$2,164 (2020 - \$16,615).

### 14. UNAMORTIZED CAPITAL ALLOCATIONS

Unamortized capital allocations represents externally restricted supported capital funds that have been spent, but have yet to be amortized over the useful life of the applicable capital asset to which the restricted capital allocations apply. The unamortized capital allocations account balance is increased by transfers of deferred capital allocations now spent, and decreased as it is brought into revenue as amortization of capital allocations.

# PROGRESSIVE ACADEMY EDUCATION SOCIETY

## Notes to the Financial Statements

August 31, 2021

### 15. ALBERTA EDUCATION, HOME EDUCATION FUNDING BALANCES AND TRANSACTIONS

	Full Time Equivalent	2021	2020
Home Education funding received from Alberta Education	1.0 \$	1,700 \$	3,342
Alberta Education funding allocated to Home Education Programs		-	-
		<u>\$ 1,700 \$</u>	<u>3,342</u>
		<b>2021</b>	<b>2020</b>
Alberta Education funding paid to parents	\$	<u>850 \$</u>	<u>1,671</u>

### 16. SUPPLEMENTARY CASH FLOW INFORMATION

	2021	2020
Interest received	\$ 3,730 \$	17,532
Interest paid	1,018	1,354

### 17. OTHER CASH FLOWS FROM OPERATING ACTIVITIES

	2021	2020
Change in other liabilities	\$ (56,239) \$	(56,194)
Change in deferred capital allocations	<u>(23,705)</u>	<u>62,169</u>
	<u>\$ (79,944) \$</u>	<u>5,975</u>

### 18. OTHER CASH FLOWS FROM INVESTING ACTIVITIES

	2021	2020
Advances to related parties	\$ (32,616) \$	(50,000)
Purchase of shares of 309566 Alberta Ltd.	-	(55,000)
Proceeds on sale of shares of 309566 Alberta Ltd.	-	55,000
Adjustment for non-cash transaction: Unrecoverable advances - 309566 Alberta Ltd.	<u>82,616</u>	<u>-</u>
	<u>\$ 50,000 \$</u>	<u>(50,000)</u>

# **PROGRESSIVE ACADEMY EDUCATION SOCIETY**

## **Notes to the Financial Statements**

**August 31, 2021**

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### **19. ECONOMIC DEPENDENCE**

The Society receives a significant portion of its revenue from the Government of Alberta. During the year ended August 31, 2021, 35% (2020 - 37%) of the Society's revenue was earned from the Government of Alberta. The Society's continuing operations are dependent on continued funding from the Government of Alberta.

### **20. FINANCIAL INSTRUMENTS**

Transactions in financial instruments may result in an entity assuming or transferring to another party one or more of the financial risks described below. The required disclosures provide information that assists users of financial statements in assessing the extent of risk related to financial instruments.

#### **(a) Currency risk**

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Society has no foreign currency transactions and therefore is not exposed to currency risk.

#### **(b) Market risk**

Market risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether the factors are specific to the instrument or all instruments traded in the market. In the opinion of management the market risk exposure to the Society is low and is not material.

#### **(c) Credit risk**

The Society does have credit risk in accounts receivable of \$275,630 (2020 - \$392,213). Credit risk is the risk that one party to a transaction will fail to discharge an obligation and cause the other party to incur a financial loss. The Society reduces its exposure to credit risk by performing credit valuations on a regular basis; granting credit upon a review of the credit history of the applicant and creating an allowance for bad debts when applicable. The Society maintains strict credit policies and limits in respect to counterparties. In the opinion of management the credit risk exposure to the Society is low and is not material.

# PROGRESSIVE ACADEMY EDUCATION SOCIETY

## Notes to the Financial Statements

August 31, 2021

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### 20. FINANCIAL INSTRUMENTS, continued

#### (d) Concentration of credit risk

The Society does have concentration of credit risk. Concentration of credit risk is the risk that a customer has more than ten percent of the total accounts receivable balance and thus there is a higher risk to the business in the event of a default by one of these customers. Concentrations of credit risk relates to groups of counterparties that have similar economic or industry characteristics that cause their ability to meet contractual obligations to be similarly affected by changes in economic or other conditions. At August 31, 2021, accounts receivable from the Government of Canada and the Government of Alberta comprised approximately 17% (2020 - 91%) of the total outstanding accounts receivable. In the opinion of management the concentration risk exposure to the Society is low and is not material.

#### (e) Liquidity risk

The Society does have liquidity risk in the accounts payable and accrued liabilities of \$644,220 (2020 - \$431,351). Liquidity risk is the risk that the Society cannot repay its obligations when they become due to its creditors. The Society reduces its exposure to liquidity risk by ensuring that it documents when authorized payments become due; maintains an adequate line of credit to repay trade creditors and repays long-term debt interest and principal as they become due. In the opinion of management the liquidity risk exposure to the Society is low and is not material.

#### (f) Interest rate risk

The Society is exposed to interest rate risk. Interest rate risk is the risk that the Society has interest rate exposure on its credit facilities, which are fixed rates for commercial credit cards. This exposure may have an effect on its earnings in future periods. In the opinion of management the interest rate risk exposure to the Society low and is not material.

#### (g) Price risk

The Society is exposed to price risk. Price risk is the risk that the prices that the Society charges are significantly influenced by its competitors and the prices that the Society must charge to meet its competitors may not be sufficient to meet its expenses. The Society reduces its exposure to price risk by ensuring that it obtains information regarding the prices that are set by the competitors in the region to ensure that its prices are appropriate. In addition, management closely monitors expenses and matches capital outlays to its revenue stream. In the opinion of management the price risk exposure to the Society is low and is not material.



# **PROGRESSIVE ACADEMY EDUCATION SOCIETY**

## **Notes to the Financial Statements**

**August 31, 2021**

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### **21. COVID-19**

The outbreak of the Coronavirus disease (COVID-19) has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. The duration and impact of the COVID-19 outbreak is unknown at this time, nor is the efficacy of the government and central bank monetary and fiscal interventions designed to stabilize economic conditions. As a result, it is not possible to reliably estimate the length and severity of these developments nor the impact on the financial position and financial results of the Society in future periods.

During the year ended August 31, 2021 the Society received government assistance in the form of the Canada Emergency Wage Subsidy (2021 - \$141,772 (2020 - \$292,949)), Federal Funding for Alberta for a Safe School Re-Entry (2021 - \$54,600 (2020 - \$nil)) and Alberta Critical Worker Benefit (2021 - \$27,130 (2020 - \$nil)). The amount received from government assistance is reported in surplus of revenues over expenses.

As of the date of the Independent Auditor's Report, COVID-19 restrictions implemented by the Government of Alberta and the Government of Canada remain in place. It is not possible to reliably estimate the impact of these restrictions on the financial position and financial results of the Society.

### **22. BUDGET AMOUNTS**

The 2021 budget amounts on the Statement of Operations are presented for information purposes only, are unaudited and not covered by the audit report of William Dale Somerville Professional Corporation, Chartered Professional Accountant, dated January 28, 2022.