

**AUDITED
FINANCIAL STATEMENTS
and Supporting Schedules for
FUNDED INDEPENDENT SCHOOLS
FOR THE YEAR ENDED AUGUST 31, 2025**

Education Act, Section 29
Independent Schools Regulation, Alberta Regulation 127/2022

Headway School Society of Alberta

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

10435 - 76 St. Edmonton AB T6A 3B1
Mailing Address

780-466-7733

Telephone and Fax Numbers

These Financial Statements and Supporting Schedules are Audited by:

Jay Hur Professional Corporation # 103, 11129 - 83
Ave. Fort Saskatchewan, AB T8L 3T9

Name and Address of the Audit Firm

Auditor's Signature

INDEPENDENT SCHOOL MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING.

The financial statements and supporting schedules of _____ Headway school Society of Alberta
(Name of Independent School)

presented to Alberta Education and Childcare have been prepared by the independent 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 independent schools.

In fulfilling its reporting responsibilities, management has maintained internal control systems and procedures designed to provide reasonable assurance that the independent 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 independent 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, 2025 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 independent schools.

BOARD CHAIR / PRESIDENT

Manjinder Singh Gill

Name

Signature

HEAD OF SCHOOL / PRINCIPAL

Jagwinder Singh Sidhu

Name

Signature

TREASURER OR SECRETARY - TREASURER

Sukhwant Kaur Gill

Name

Signature

Board-approved Release Date

ALBERTA EDUCATION AND CHILDCARE, Financial Reporting and Accountability,
10th Floor 44 Capital Boulevard, 10044 108th Street NW, Edmonton, Alberta T5J 5E6
E-mail: edc.fra-private@gov.ab.ca Telephone: (780) 422-0314



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

		AFS 2025	AFS 2024 (NOTE *) x
ASSETS			
Current assets			
Cash and cash equivalents	Note 4	\$689,224	\$460,167
Accounts receivable (net after allowances)			
Province of Alberta	Note	\$0	\$0
Federal Government and/or First Nations	Note	\$0	\$0
Other accounts receivable	Note 5	(\$4,127)	\$12,907
Prepaid expenses	Note	\$11,106	\$0
Other current assets	Note	\$0	\$0
Total current assets		\$696,203	\$473,074
School generated assets	Note	\$0	\$0
Trust assets	Note	\$0	\$0
Other assets	Note 6	\$250,100	\$250,100
Capital assets			
Land at cost		\$3,401,000	\$3,401,000
Buildings at cost	\$654,543		
Less: accumulated amortization	(\$353,765)	\$300,778	\$326,960
Leasehold improvements at cost	\$0		
Less: accumulated amortization	\$0	\$0	\$0
Equipment at cost	\$21,467		
Less: accumulated amortization	(\$3,220)	\$18,247	\$0
Vehicles at cost	\$0		
Less: accumulated amortization	\$0	\$0	\$0
Total capital assets	Note 7	\$3,720,025	\$3,727,960
TOTAL ASSETS		\$4,666,328	\$4,451,134
LIABILITIES			
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 9	\$35,587	\$40,548
Other payables and accrued liabilities	Note	\$101,557	\$21,324
Capital payables	Note	\$0	\$0
Deferred contributions	Note 10	\$3,322	\$50,871
Deferred capital allocations	Note	\$0	\$0
Current portion of long term debt		\$88,866	\$85,887
Total current liabilities		\$229,333	\$198,630
School generated liabilities	Note	\$0	\$0
Trust liabilities	Note	\$0	\$0
Other liabilities	Note	\$0	\$0
Long term debt			
Debentures & Bonds	Note	\$0	\$0
Capital loans	Note	\$0	\$0
Capital leases	Note	\$0	\$0
Mortgages	Note 11	\$1,184,171	\$1,262,983
Other loans	Note	\$0	\$0
Less: Current portion of long term debt	Note 11	(\$88,866)	(\$85,887)
Unamortized capital allocations	Note	\$0	\$0
Total long term liabilities		\$1,095,305	\$1,177,096
TOTAL LIABILITIES		\$1,324,637	\$1,375,726
NET ASSETS			
Unrestricted net assets		\$827,303	\$610,432
Operating reserves		\$0	\$0
Total accumulated surplus (deficit) from operations		\$827,303	\$610,432
Investment in capital assets		\$2,535,855	\$2,464,977
Capital reserves		\$0	\$0
Total capital funds		\$2,535,855	\$2,464,977
Total net assets		\$3,341,691	\$3,075,408
TOTAL LIABILITIES AND NET ASSETS		\$4,666,328	\$4,451,134

Note: * Audited Financial Statements (AFS) as submitted to Alberta Education and Childcare pursuant to Section 29 of the Education Act; Independent Schools Regulation, Alberta Regulation 127/2022 or as restated.
Input "(Restated)" in 2024 column heading where not taken from the finalized 2023/2024 Audited Financial Statements.

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

	AFS 2025	Budget 2025 (NOTE *) x	AFS 2024 (NOTE *) (Restated - Note 16)
REVENUES			
Alberta Education and Childcare (excluding Home Education)	\$3,111,435	\$2,766,848	\$2,853,708
Alberta Education and Childcare - Home Education	\$0	\$0	\$0
Total Alberta Education and Childcare Revenues	\$3,111,435	\$2,766,848	\$2,853,708
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	\$407,487	\$344,990	\$380,815
Non-instructional fees (O&M, Transportation, Admin, etc.)	\$346,938	\$84,850	\$223,575
Other sales and services	\$0	\$35,000	\$44,890
Interest on investments	\$0	\$0	\$0
Gifts and donations	\$0	\$0	\$0
Amortization of capital allocations	\$0	\$0	\$0
Other	\$0	\$0	\$39,429
Total Revenues	\$3,865,860	\$3,231,688	\$3,542,417
EXPENSES			
Home Education	\$0	\$0	\$0
Instruction - ECS	\$335,959	\$252,750	\$244,393
Instruction - Grades 1 to 12	\$1,930,112	\$1,481,490	\$1,775,465
Operations and maintenance	\$418,920	\$381,385	\$422,877
Transportation	\$737,025	\$905,950	\$823,475
Board and System Administration	\$80,680	\$0	\$57,241
External services	\$96,881	\$0	\$94,000
Total Expenses	\$3,599,577	\$3,021,575	\$3,417,451
SURPLUS (DEFICIT) OF REVENUES OVER EXPENSES	\$266,283	\$210,113	\$124,966

Note: * Input "(Restated)" in Budget 2025 and/or AFS 2024 column headings where comparatives are not taken from the respective finalized 2024/2025 Budget Report and/or finalized 2023/2024 Audited Financial Statements.

STATEMENT OF OPERATIONS - Segment Disclosure
for the Year Ending August 31
(in dollars)

		Alberta Education Funding and Expenses Only	
		AFS 2025	AFS 2024
<u>REVENUES</u>			
Alberta Education and Childcare Revenues		\$3,111,435	\$2,853,708
Less: Childcare Revenues		(\$118,616)	(\$61,837)
TOTAL ALBERTA EDUCATION REVENUES ONLY		\$2,992,818	\$2,791,871
<u>EXPENSES</u>			
Home Education		\$0	\$0
Instruction ECS		\$246,959	\$236,893
Instruction Grades 1 to 12		\$1,767,068	\$1,782,965
Operations and Maintenance		\$418,920	\$361,040
Transportation		\$382,310	\$327,150
Board and System Administration		\$80,680	\$57,241
Other (specify): Program and support services		\$96,881	\$26,582
TOTAL ALBERTA EDUCATION EXPENSES ONLY		\$2,992,818	\$2,791,871
Government of Alberta Funds Balance*		\$0	\$0

***Balance represents the difference between revenue received and expenses incurred from Government of Alberta funds. A positive balance represents unspent amounts. This schedule only reports expenditures from the funds received from GOA and therefore the expenses cannot be greater than revenue.**

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

	AFS 2025	AFS 2024 (NOTE *)	
		x	
CASH FLOWS FROM:			
A. OPERATING ACTIVITIES			
Surplus (deficit) of revenues over expenses for the year	\$266,283	\$124,966	
Add (Deduct) items not requiring cash:			
Amortization of capital allocations revenue	\$0	\$0	
Total amortization expense	\$29,402	\$26,182	
Add losses or deduct gains on disposal of capital assets	\$0	\$36,308	
Changes in accrued accounts:			
Accounts receivable	\$17,034	(\$4,228)	
Prepays and other current assets	(\$11,106)	\$0	
Payables and accrued liabilities	\$75,272	\$7,768	
Deferred contributions	(\$47,549)	\$45,295	
Other (specify):	\$0	\$0	
Total sources (uses) of cash from operations	\$329,336	\$236,291	
B. INVESTING ACTIVITIES			
Purchases of capital assets:			
Land	\$0	\$0	
Buildings	\$0	\$0	
Leasehold improvements	\$0	\$0	
Equipment	(\$21,467)	\$0	
Vehicles	\$0	\$0	
Net proceeds from disposal of capital assets	\$0	\$50,000	
Other (specify):	\$0	\$0	
Total sources (uses) of cash from investing activities	(\$21,467)	\$50,000	
C. FINANCING ACTIVITIES			
Capital contributions received	\$0	\$0	
Issuance of long term debt	\$0	\$0	
Repayment of long term debt	(\$78,812)	(\$82,920)	
Other (specify):	\$0	\$0	
Total sources (uses) from financing activities	(\$78,812)	(\$82,920)	
Net sources (uses) of cash equivalents** during year	\$229,057	\$203,371	
Cash equivalents at the beginning of year	\$460,167	\$256,796	
Cash equivalents at the end of year	\$689,224	\$460,167	\$460,167

NOTE: * Input "(Restated)" in 2024 column heading where not taken from the finalized 2023/2024 Audited Financial Statements.

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

STATEMENT OF CHANGES IN NET ASSETS
for the Year Ended August 31, 2025
(in dollars)

	(1) TOTAL 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) OPERATING RESERVES			(6) RESTRICTED RESERVES		(7) Grades K to 12	(8) External Services
					Grades K to 12	External Services	CAPITAL RESERVES				
							Grades K to 12	External Services			
Balance at August 31, 2024	\$3,075,408	\$2,587,594	\$487,815	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Prior period adjustments (specify):											
Correction to prior period debt principal payments (Note 16)	\$0	(\$2)	\$2	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Correction to prior period assets disposed (Note 16)	\$0	(\$122,615)	\$122,615	\$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, 2024	\$3,075,408	\$2,464,977	\$610,432	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Surplus(deficit) of revenues over expenses (from page 3)	\$266,283		\$266,283								
Capital asset acquisitions (less financed and/or less capital contributions received)		\$21,467	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Donations of non-amortizable assets	\$0	\$0									
Amortization of capital assets (expense) *		(\$29,402)	\$29,402								
Amortization of capital allocations (revenue) **		\$0	\$0								
Disposal of capital assets		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Debt principal payments ***		\$78,812	(\$78,812)								
Net transfers to/from operating reserves	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net transfers to/from capital reserves	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other transfers (specify):	\$0	\$0	\$0								
Balance at August 31, 2025	\$3,341,691	\$2,535,855	\$827,303	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$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, 2025

REVENUES	TOTAL	Instruction				Transportation	Board and System Administration	External Services
		Home Education and Shared Responsibility	Early Childhood Services (ECS)	Instruction (Grades 1 to 12)	Operations and Maintenance of Schools			
Alberta Education and Childcare allocations								
(1) ECS Base Instruction	\$131,271		\$131,271					
(2) Grades 1 to 12 Base Instruction (including Distance Education Primary and Non-Primary, Summer School)	\$1,672,048			\$1,672,048				
(3) Home Education and Shared Responsibility	\$0	\$0						
(4) Program Supports and Services	\$373,873		\$37,689	\$336,174				
(5) Operations and Maintenance Grant	\$23,612		\$23,760	\$199,832	\$0			
(6) Transportation Grant	\$350,420				\$350,420			
(7) System Administration	\$133,217		\$30,812	\$102,305	\$0			
(8) Other - Alberta Education and Childcare	\$226,895	\$0	\$6,784	\$89,705	\$118,616	\$0	\$0	\$0
TOTAL ALBERTA EDUCATION AND CHILDCARE ALLOCATIONS	\$3,111,435	\$0	\$230,448	\$2,380,062	\$118,616	\$0	\$0	\$0
(9) Other Government of Alberta	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(10) Federal Government and/or First Nations	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(11) Other Alberta school authorities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(12) Instructional fees / tuition fees	\$407,487	\$0	\$50,730	\$356,757	\$0	\$0	\$0	\$0
(13) Non-instructional fees (C&M, Transport, Admin, etc.)	\$346,938	\$0	\$22,500	\$276,888	\$47,549	\$0	\$0	\$0
(14) Other sales and services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(15) Interest on investments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(16) Gifts and donations	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(17) Amortization of capital allocations	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(18) Other (specify):	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL REVENUES	\$3,895,880	\$0	\$303,676	\$3,013,708	\$166,165	\$382,310	\$0	\$0
EXPENSES								
(19) Certificated salaries	\$1,401,825	\$0	\$153,435	\$1,248,390				\$0
(20) Certificated benefits	\$92,365	\$0	\$12,000	\$70,365				\$0
(21) Non-certificated salaries and wages	\$868,883	\$0	\$80,000	\$519,238	\$87,645	\$0	\$0	\$0
(22) Non-certificated benefits	\$7,524	\$0	\$1,524	\$6,000	\$0	\$0	\$0	\$0
SUB-TOTAL	\$2,178,598	\$0	\$246,959	\$1,843,992	\$87,645	\$0	\$0	\$0
(23) Services, contracts & supplies - other than Consulting fees / Management fees, and leases	\$1,351,881	\$0	\$89,000	\$86,120	\$262,175	\$737,025	\$80,880	\$96,881
(24) Consulting / Management Fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(25) Leases - Building	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(26) Leases - Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital and debt services								
(27) Amortization of capital assets from restricted funds	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(28) Amortization of capital assets from unrestricted funds	\$29,402	\$0	\$0	\$0	\$29,402	\$0	\$0	\$0
(29) Interest on capital debt	\$39,699	\$0	\$0	\$0	\$39,699	\$0	\$0	\$0
(30) Other interest charges	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(31) Losses (gains) on disposal of capital assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(32) Other (specify):	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL EXPENSES	\$3,599,577	\$0	\$335,959	\$1,830,112	\$418,920	\$737,025	\$80,880	\$96,881
Surplus/(deficit) of revenues over expenses	\$286,283	\$0	(\$32,283)	\$1,083,597	(\$354,754)	(\$354,715)	(\$80,880)	(\$96,881)

**SCHEDULE 2
ANALYSIS OF EARLY CHILDHOOD SERVICES (ECS) PROGRAM UNIT EXPENSES
for the Year Ended August 31, 2025**

	ECS Program Unit (excluding Moderate Language Delay Grant)	ECS Moderate Language Delay Grant code 48 only
Instruction		
Certificated salaries	\$0	\$0
Certificated benefits	\$0	\$0
Non-certificated salaries and wages	\$0	\$0
Non-certificated benefits	\$0	\$0
Specialized services and supports	\$0	\$0
Supplies and materials	\$0	\$0
Parent and staff in-service	\$0	\$0
Other (specify)	\$0	\$0
Specialized equipment & furniture (child specific). Please specify:	\$0	\$0
Total	\$0	\$0

**Schedule 3
Remuneration and Monetary Incentives
for the Year Ended August 31, 2025**

Position	Name	Full Time Equivalent (FTE)	Remuneration	Benefits and Allowances	Other Accrued Unpaid Benefits	Other Expenses
Board Chair:	Manjinder Singh Gill	0.00	\$0	\$0	\$0	\$0
Secretary-Treasurer:		0.00	\$0	\$0	\$0	\$0
Secretary:	Kulvinder Thiara	0.00	\$76,000	\$0	\$0	\$0
Treasurer:	Sukhwant Gill	0.00	\$0	\$0	\$0	\$0
Board of Directors:	1 Gunvir Singh Sidhu	0.00	\$0	\$0	\$0	\$0
	2 Kamaljit Kaur Sidhu	0.00	\$0	\$0	\$0	\$0
	3 Sukhwant Gill	0.00	\$0	\$0	\$0	\$0
	4 Harbans Deol	0.00	\$0	\$0	\$0	\$0
	5 Prabhjotpal Singh	0.00	\$0	\$0	\$0	\$0
	6 Kulvinder Thiara	0.00	\$0	\$0	\$0	\$0
	7 Baljinder Gill	0.00	\$0	\$0	\$0	\$0
	8	0.00	\$0	\$0	\$0	\$0
	9	0.00	\$0	\$0	\$0	\$0
	10	0.00	\$0	\$0	\$0	\$0
	11	0.00	\$0	\$0	\$0	\$0
	12	0.00	\$0	\$0	\$0	\$0
	13	0.00	\$0	\$0	\$0	\$0
Board of Directors - Total		0.00	\$0	\$0	\$0	\$0
Head of School		0.00	\$0	\$0	\$0	\$0
Principals:	1 Jagwinder Singh Sidhu	0.00	\$104,000	\$0	\$0	\$0
	2	0.00	\$0	\$0	\$0	\$0
	3	0.00	\$0	\$0	\$0	\$0
	4	0.00	\$0	\$0	\$0	\$0
	5	0.00	\$0	\$0	\$0	\$0
	6	0.00	\$0	\$0	\$0	\$0
	7	0.00	\$0	\$0	\$0	\$0
	8	0.00	\$0	\$0	\$0	\$0
	9	0.00	\$0	\$0	\$0	\$0
Principals - Total		0.00	\$104,000	\$0	\$0	\$0
Chief Financial Officer:		0.00	\$0	\$0	\$0	\$0
Management/Executives:1.		0.00	\$0	\$0	\$0	\$0
	2	0.00	\$0	\$0	\$0	\$0
	3	0.00	\$0	\$0	\$0	\$0
	4	0.00	\$0	\$0	\$0	\$0
	5	0.00	\$0	\$0	\$0	\$0
	6	0.00	\$0	\$0	\$0	\$0
Management/Executives - Total		0.00	\$0	\$0	\$0	\$0
Total Certificated staff (excluding Home Education)		0.00	\$1,401,825	\$82,365	\$0	\$0
Total Non-Certificated staff (excluding Home Education)		0.00	\$686,883	\$7,524	\$0	\$0
Total Certificated contract staff (excluding Home Education)		0.00	\$0	\$0	\$0	\$0
Total Non-Certificated contract staff (excluding Home Education)		0.00	\$0	\$0	\$0	\$0
Total Certificated staff (Home Education)		0.00	\$0	\$0	\$0	\$0
Total Non-Certificated staff (Home Education)		0.00	\$0	\$0	\$0	\$0
Total Certificated Contract staff (Home Education)		0.00	\$0	\$0	\$0	\$0
Total Non-Certificated Contract staff (Home Education)		0.00	\$0	\$0	\$0	\$0
Contracted Services for Senior Management and Director's Position Only:						
Position	Name	FTE 2025	Contract Amount 2025	Allowances 2025	Bonuses 2025	Other Expenses 2025
Consulting / Management fees:	1	0.00	\$0	\$0	\$0	\$0
	2	0.00	\$0	\$0	\$0	\$0
	3	0.00	\$0	\$0	\$0	\$0
	4	0.00	\$0	\$0	\$0	\$0
Consulting / Management fees - Total		0.00	\$0	\$0	\$0	\$0

**Schedule 4
Related Party Transactions
for the Year Ended August 31, 2025**
(in dollars)

DETAILS OF TRANSACTION	DETAILS AND NATURE OF RELATIONSHIP	2025	2024
Revenues			
Rental		\$0	\$0
Sale of Capital Assets		\$0	\$0
Other (specify)		\$0	\$0
Other (specify)		\$0	\$0
Total Revenues		\$0	\$0
Expenses			
Salary and Benefits (Position)		\$0	\$0
Salary and Benefits (Position)		\$0	\$0
Salary and Benefits (Position)		\$0	\$0
Rental		\$0	\$0
System Support		\$0	\$0
Other (specify)		\$0	\$0
Other (specify)		\$0	\$0
Other (specify)		\$0	\$0
Other (specify)		\$0	\$0
Other (specify)		\$0	\$0
Total Expenses		\$0	\$0
Receivable from/ Payable to			
		\$0	\$0
		\$0	\$0
		\$0	\$0
Other Contractual Obligations/ Contingencies			
		\$0	\$0
		\$0	\$0

- Note:**
- Describe the nature of different fees and charges and segregate if significant.
 - Group with other if not significant.
 - Describe the nature of transactions included in Other.
 - If applicable, include loans, payables, and receivables.

Schedule 5
Analysis of Home Education Funding Balances
for the Year Ended August 31, 2025
(in dollars)

DETAILS OF TRANSACTION	Full Time Equivalent (FTE) Enrolled Students	2024/2025	2023/2024
Home Education Funding Received from Alberta Education and Childcare	0	\$0	\$0
Eligible 50% parent portion		\$0	\$0
Alberta Education and Childcare Home Education Funding*:			
Paid to parents		\$0	\$0
Unclaimed by parents (deferred)		\$0	\$0
Declined by parents (deferred)		\$0	\$0
Parents transferred parental portion to school (per signed Parent Declaration** form)		\$0	\$0
Accounts Payable to Alberta Education and Childcare			
Prior year deferred Unclaimed and Declined balances		\$0	
Less: reimbursements to parents for 2023/2024 expenses		\$0	
Less: 2023/2024 parent portion transferred to school		\$0	
Total Accounts Payable to Alberta Education and Childcare		\$0	

Note:

* An accredited funded independent school must offer to the parents of a home education student 50 per cent of the home education funding for the purchase of instructional materials. Parents have up to two years to access the parental portion of home education funding. Alberta Education and Childcare will recover the unclaimed/declined portion, the year following the previous two year period.

** Declaration forms must be made available upon request by Alberta Education and Childcare.

Parents who were eligible to receive 50% funding in 2023/24 had until the end of 2024/25 to claim expenses and/or transfer to school per signed Parent Declaration form. Any unclaimed/declined amounts remaining are payable to Alberta Education and Childcare.

**Schedule 6
Salary Disclosure
for the Year Ended August 31, 2025**

Total Compensation/Contract Range	Number of Individuals (Part time)	Number of Individuals (Full time)
\$1 to \$49,999		41
\$50,000 to \$99,999		5
\$100,000 to \$129,999		1
\$130,000 to 159,999		
160,000 to 189,999		
190,000 to 197,000		
\$197,001 to 229,999		
over \$230,000		

Part time specification:

For example: the three individuals reported under Part time are the equivalent of 0.70 FTE, 0.5 FTE and 0.25 FTE. You would still report 3 under part time.

No individual should be counted more than once; report based on full compensation even if received for multiple roles

Total compensation includes salary, wage, benefits, and allowances including other unpaid accrued benefits

HEADWAY SCHOOL SOCIETY OF ALBERTA

Notes to Financial Statements

Year Ended August 31, 2025

1. NATURE OF OPERATIONS

Headway School Society of Alberta (the "Organization") was incorporated under the Societies Act of the Province of Alberta on July 20, 1999. As a registered charity, the Organization is exempt from the payment of income tax under Subsection 149(1) of the Income Tax Act.

The Organization's primary activity is to deliver education programs under the authority of the School Act.

2. BASIS OF PRESENTATION

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Measurement uncertainty

The preparation of financial statements in conformity 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, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates. Estimated life of property and equipment is the most significant item that involves the use of estimates.

Financial instruments

Initial measurement

The Organization initially measures its financial assets and liabilities at fair value, except for certain non-arm's length transactions.

Subsequent measurement

The Organization subsequently measures all its financial assets and 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 income in the period incurred.

Financial assets measured at amortized cost include cash and accounts receivable.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

Transaction costs

Transaction costs attributable to financial instruments subsequently measured at fair value are recognized in income in the period incurred. However, financial instruments that will not be subsequently measured at fair value are adjusted by the transaction costs that are directly attributable to their origination, issuance or assumption.

Impairment

For financial assets measured at cost or amortized cost, the Organization determines whether there are indications of possible impairment. When there are, and the Organization 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 income. If the indicators of impairment have decreased or no longer exist, the previously recognized impairment loss may be reversed to the extent of the improvement. The carrying amount of the financial asset may be no 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 income.

(continues)

HEADWAY SCHOOL SOCIETY OF ALBERTA

Notes to Financial Statements

Year Ended August 31, 2025

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Capital Assets

Capital assets are stated at cost or deemed cost less accumulated amortization and are amortized over their estimated useful lives on a straight-line basis at the following rates and methods:

Buildings	4%	straight-line method
Motor vehicles	10%	straight-line method
Computer equipment	30%	straight-line method
Furniture and fixtures	20%	straight-line method

Capital asset purchases costing less than \$5,000 are amortized at 100% in the year of purchase, provided that the equipment is available for use.

Capital assets acquired during the year but not placed into use are not amortized until they are placed into use.

Revenue recognition

The Organization follows the deferral method of accounting for contributions.

Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. 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.

Alberta Education instruction and support, tuition, bus and other fees are recognized as revenue in the year that they are received or receivable. Fees for services related to courses and programs are recognized as revenue when such courses and programs are delivered.

Donations, pledges and bequests are recognized as revenue when received or receivable if the amount can be reasonably estimated and collection is reasonably assured.

Contributed services

Volunteers contribute time each year to aid the Organization in carrying out fundraising activities. Due to the difficulty in determining the fair value of these services, contributed services are not recognized in the financial statements..

Cash and cash equivalents

The Organization's policy is to disclose bank balances under cash and cash equivalents, including bank overdrafts with balances that fluctuate frequently from being positive to overdrawn and guaranteed investment certificates with a maturity within twelve months from the year end. Cash that is restricted due to externally imposed restrictions or pledged as security is not considered a cash equivalent unless it is offset by a current liability related to the restriction.

4. CASH AND CASH EQUIVALENTS

	<u>2025</u>	<u>2024</u>
Unrestricted cash	\$ 685,902	\$ 409,296
Restricted Cash	3,322	50,871
	<u>\$ 689,224</u>	<u>\$ 460,167</u>

Restricted cash is derived from casino revenues which is restricted to specific expenditures under the terms of the casino license.

HEADWAY SCHOOL SOCIETY OF ALBERTA

Notes to Financial Statements

Year Ended August 31, 2025

5. ACCOUNTS RECEIVABLE

	<u>2025</u>	<u>2024</u>
Goods and Services Tax receivable	\$ (4,127)	\$ 12,907

During the year, the Organization recorded impairments of \$Nil(2024 - \$Nil) that have been included in bad debt expense. Included in accounts receivable are amounts owed from (to) the government entities totaling \$(4,127) (2024 - \$12,907).

GST receivable is in a credit balance due to Input tax credits being overclaimed in the GST rebate filings during the 2025 fiscal year.

6. PERFORMANCE FEE

The performance fee was paid in addition to the purchase of land. This was provided to the City of Edmonton as security for the commencement and completion of construction of the development and the environmental certification. Once the Organization meets the City's requirements, the performance fee will be refunded.

7. CAPITAL ASSETS

	<u>Cost</u>	<u>Accumulated amortization</u>	<u>2025 Net book value</u>	<u>2024 Net book value</u>
Land	\$ 3,401,000	\$ -	\$ 3,401,000	\$ 3,401,000
Buildings	654,543	353,765	300,778	326,960
Computer equipment	21,467	3,220	18,247	-
	<u>\$ 4,077,010</u>	<u>\$ 356,985</u>	<u>\$ 3,720,025</u>	<u>\$ 3,727,960</u>

8. CREDIT FACILITY

The Organization has an operating line of credit that can be drawn upon to an authorized maximum of \$700,000 (2024 - \$700,000), which bears interest at prime plus 1% and is secured by a collateral mortgage on the land and building, a general security agreement over all assets of the Organization and an assignment of life insurance.

At the statement of financial position date, and throughout the 2025 (2024) fiscal year, the Organization had not (2024 - had not) drawn on this facility.

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Included in accounts payable are government remittances payable of \$35,587 (2024 - \$40,548).

HEADWAY SCHOOL SOCIETY OF ALBERTA

Notes to Financial Statements

Year Ended August 31, 2025

10. DEFERRED CONTRIBUTIONS

The Organization receives revenue from the operation of casinos which are licensed by the Province of Alberta. Under the terms of the casino license, this revenue can only be utilized for specific expenditures. The unexpended balance is recorded as deferred casino contributions and is held by the Organization in a separate bank account.

	<u>2025</u>	<u>2024</u>
Deferred Revenue - Casino	\$ 3,322	\$ 50,871

The total amount of \$3,322 is restricted to the use of equipment that is program related, resource materials/supplies and uniforms/costumes. The use of proceeds list expires 2100/12/31.

11. LONG TERM DEBT

	<u>2025</u>	<u>2024</u>
3.534% mortgage, payable in monthly installments of \$10,773.73 including interest, secured by the land and building assets located at 10435 76 St & 3804 38 ST NW, a general security agreement over all assets of the Organization and an assignment of life insurance, due August 30, 2026	\$ 1,184,171	\$ 1,262,983
Amounts payable within one year	<u>(88,866)</u>	<u>(85,887)</u>
	<u>\$ 1,095,305</u>	<u>\$ 1,177,096</u>

The agreement with respect to the mortgage payable contains certain covenants regarding debt service coverage (DSC) to be a minimum of 100%. DSC is defined as (excess revenue over expenditures + interest + depreciation + additional capital fund raising evidenced to the Bank's satisfaction - unfinanced capital expenditures) / annual principal and interest payments on all debt.

Principal repayment terms are approximately:

2026	\$ 88,866
2027	92,058
2028	95,365
2029	98,790
2030	102,339
Thereafter	<u>706,753</u>
	<u>\$ 1,184,171</u>

As of August 31, 2025, the Organization is in compliance with the covenant.

12. LEASE COMMITMENTS

The Organization has entered into an operating lease for the use of bus transportation services. The services are leased at \$175 per student per month under a lease expiring in 2025. This leasing contract is for the 2025 fiscal year only and is renewed at the beginning of each fiscal year.

13. ECONOMIC DEPENDENCE

Revenue from the Provincial government represents 80% of the Organization's total revenue for the year ended August 31, 2025 (2024 - 80%)

HEADWAY SCHOOL SOCIETY OF ALBERTA

Notes to Financial Statements

Year Ended August 31, 2025

14. FINANCIAL INSTRUMENTS

The Organization is exposed to various risks through its financial instruments without being exposed to concentrations of risk. The following analysis provides information about the Organization's risk exposure and concentration as of August 31, 2025.

Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Organization's main credit risk relates to accounts receivable.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Organization is exposed to this risk mainly in respect of its accounts payable, accrued liabilities and long-term debt.

15. BUDGETED AMOUNTS

Budgeted financial information included within these financial statements was provided by the Organization's management and has been approved by the Board of Directors. The budget is presented for information purposes only and has not been audited.

16. PRIOR PERIOD ADJUSTMENT

During the 2025 fiscal year audit, material misstatements were noted in the prior year. As a result, adjustments have been recorded to prior period balances to reflect the correction of these material errors. The prior period adjustments consist of the following:

- A decrease in the investment in capital assets fund balance & an increase in the unrestricted net assets fund balance of \$122,617.
 - An increase operations and maintenance and an increase in Alberta Education and Childcare revenues of \$61,836.83
-

17. SUBSEQUENT EVENTS

Subsequent to the year ended August 31, 2025, The Organization registered a new organization under the name "Alberta Advance Academy" and applied for the new organization to become a chartered school. The chartered school application was accepted and set to begin in the beginning of the 2026 fiscal year. As a result, beginning in the 2026 fiscal year, Alberta Advance Academy will be teaching Kindergarden to Grade 12 while the Organization will only be teaching preschool.

**Headway School Society of Alberta
Accumulated Deficit from Operations (ADO) Elimination Plan**

Year	2023-2024 Actual	2024-2025 Actual	2025-2026 Budget	2026-2027 Projection	2027-2028 Projection
Enrolment - funded:					
ECS	50	40	0	0	0
Grades 1 to 9	287	349	0	0	0
Grades 10 to 12	108	62	0	0	0
Online Program	0	0	0	0	0
Home Education	0	0	0	0	0
Total funded:	445	451	0	0	0
Enrolment - non-funded:					
	9	3	0	0	0
Total Enrolment (funded and non-funded):	454	454	0	0	0
Revenues					
Alberta Education and Childcare	\$2,853,708	\$3,111,435	\$0	\$0	\$0
Other Government of Alberta	\$0	\$0	\$0	\$0	\$0
Federal Government and/or First Nations	\$0	\$0	\$0	\$0	\$0
Other Alberta school authorities	\$0	\$0	\$0	\$0	\$0
Instructional fees/Tuition fees	\$380,815	\$407,487	\$0	\$0	\$0
Non-Instructional fees	\$223,575	\$346,938	\$0	\$0	\$0
Other sales and services	\$44,890	\$0	\$0	\$0	\$0
Interest on investments	\$0	\$0	\$0	\$0	\$0
Gifts and donations	\$0	\$0	\$0	\$0	\$0
Gross school generated funds	\$0	\$0	\$0	\$0	\$0
Amortization of capital allocations	\$0	\$0	\$0	\$0	\$0
Other	\$39,429	\$0	\$0	\$0	\$0
Total Revenues	\$3,547,417	\$3,865,860	\$0	\$0	\$0
Expenses					
Certificated salaries	\$1,110,082	\$1,401,825	\$0	\$0	\$0
Certificated benefits	\$81,000	\$82,365	\$0	\$0	\$0
Non-certificated salaries and wages	\$600,456	\$686,883	\$0	\$0	\$0
Non-certificated benefits	\$0	\$7,524	\$0	\$0	\$0
Services, contracts and supplies	\$1,517,008	\$1,351,881	\$0	\$0	\$0
Gross school generated funds	\$0	\$0	\$0	\$0	\$0
Capital and debt services:					
Amortization of capital assets from restricted funds	\$0	\$0	\$0	\$0	\$0
Amortization of capital assets from unrestricted funds	\$26,182	\$29,402	\$0	\$0	\$0
Interest on capital debt	\$46,415	\$39,699	\$0	\$0	\$0
Other interest charges	\$0	\$0	\$0	\$0	\$0
Losses (gains) on disposal of capital assets	\$0	\$0	\$0	\$0	\$0
Other (specify)	\$36,308	\$0	\$0	\$0	\$0
Total Expenses	\$2,776,353	\$2,599,577	\$0	\$0	\$0
Surplus (Deficit) for the year	\$771,064	\$1,266,283	\$0	\$0	\$0
ADO*ASO* Beginning of Year	\$0	\$124,966	\$391,249	\$391,249	\$391,249
Debt Principal Payments	\$0	\$0	\$0	\$0	\$0
Capital Asset Acquisitions (less financed and/or capital contributions amount)	\$0	\$0	\$0	\$0	\$0
Disposal of Capital Assets	\$0	\$0	\$0	\$0	\$0
Amortization of capital assets	\$0	\$0	\$0	\$0	\$0
Amortization of capital allocations	\$0	\$0	\$0	\$0	\$0
Net transfers to/from reserves	\$0	\$0	\$0	\$0	\$0
Other (specify)	\$0	\$0	\$0	\$0	\$0
Total Accumulated Surplus/Deficit from Operations end of year	\$771,064	\$1,266,283	\$391,249	\$391,249	\$391,249

% ACCUMULATED ASO/ADO TO TOTAL EXPENSES 4% 11% #DIV/0! #DIV/0! #DIV/0!

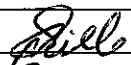
Actual Revenues and Expenses as per AFS, Statement of Operations

*ADD - Accumulated Deficit from Operations

*ASO - Accumulated Surplus from Operations

Actuals as per AFS, Statement of Changes in Net Assets, Unrestricted Net Assets (column 3)

Board of Directors Approval - date: _____

Board Chair/President - signature: 

Treasurer, Secretary/Treasurer - signature: 

