

**EDMONTON TALMUD TORAH SOCIETY
FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2025**

Draft for discussion purposes only - May 27, 2026

**EDMONTON TALMUD TORAH SOCIETY
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YEAR ENDED AUGUST 31, 2025**

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INDEPENDENT AUDITOR'S REPORT

To the Members of Edmonton Talmud Torah Society

Opinion

We have audited the financial statements of Edmonton Talmud Torah Society (the Society), which comprise the statement of financial position as at August 31, 2025, and the statements of revenues and expenditures, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

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

Basis for Opinion

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with 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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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Independent Auditor's Report to the Members of Edmonton Talmud Torah Society (*continued*)

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Society's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Society's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Society to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Edmonton, Alberta
April 27, 2026

CHARTERED PROFESSIONAL ACCOUNTANTS

EDMONTON TALMUD TORAH SOCIETY
STATEMENT OF FINANCIAL POSITION
AS AT AUGUST 31, 2025

	General Fund 2025	General Fund 2024	Restricted Funds 2025	Restricted Funds 2024	Endowment Funds 2025	Endowment Funds 2024	Total 2025	Total 2024
ASSETS								
CURRENT								
Cash	\$ 1,152,652	\$ 791,144	\$ -	\$ -	\$ -	\$ -	\$ 1,152,652	\$ 791,144
Restricted Cash	6,056	32,942	75,731	148,727	24,511	38,970	106,298	220,639
State of Israel Bonds (Note 5)	-	-	-	100,000	-	-	-	100,000
Investments (Note 6)	-	-	2,492,528	2,239,938	-	-	2,492,528	2,239,938
Accounts receivable	114,766	342,061	-	-	-	-	114,766	342,061
Interest receivable	-	-	3,220	4,797	-	-	3,219	4,797
Goods and services tax recoverable	22,699	6,864	-	-	-	-	22,699	6,864
Prepaid expenses	5,927	5,475	-	-	-	-	5,927	5,475
	1,302,100	1,178,486	2,571,479	2,493,462	24,511	38,970	3,898,089	3,710,918
PROPERTY AND EQUIPMENT (Net of accumulated amortization) (Note 7)	102,655	75,162	2,618,387	2,063,026	-	-	2,721,042	2,138,188
STATE OF ISRAEL BONDS (Note 5)	-	-	200,000	200,000	-	-	200,000	200,000
INTERFUND BALANCE (Note 8)	329,401	150,775	(320,711)	(150,801)	(8,690)	26	-	-
	<u>\$ 1,734,156</u>	<u>\$ 1,404,423</u>	<u>\$ 5,069,155</u>	<u>\$ 4,605,687</u>	<u>\$ 15,821</u>	<u>\$ 38,996</u>	<u>\$ 6,819,131</u>	<u>\$ 6,049,106</u>

**EDMONTON TALMUD TORAH SOCIETY
STATEMENT OF FINANCIAL POSITION
AS AT AUGUST 31, 2025**

	General Fund 2025	General Fund 2024	Restricted Funds 2025	Restricted Funds 2024	Endowment Funds 2025	Endowment Funds 2024	Total 2025	Total 2024
LIABILITIES AND NET ASSETS								
CURRENT								
Accounts payable	\$ 204,220	\$ 86,680	\$ -	\$ -	\$ -	\$ -	\$ 204,219	\$ 86,680
Employee deductions payable	8,870	10,034	-	-	-	-	8,870	10,034
Deferred grant (Note 14)	16,500	42,547	-	-	-	-	16,500	42,547
Prepaid revenue	98,694	69,731	-	-	-	-	98,694	69,731
	328,284	208,992	-	-	-	-	328,283	208,992
NET ASSETS								
Fund Balance	1,405,872	1,195,431	5,069,155	4,605,687	15,821	38,996	6,490,848	5,840,114
	\$ 1,734,156	\$ 1,404,423	\$ 5,069,155	\$ 4,605,687	\$ 15,821	\$ 38,996	\$ 6,819,131	\$ 6,049,106

ON BEHALF OF THE BOARD

Director

Director

Draft for discussion purposes only - May 27, 2026

EDMONTON TALMUD TORAH SOCIETY
STATEMENT OF REVENUES AND EXPENDITURES
FOR THE YEAR ENDED AUGUST 31, 2025

	General fund 2025	General fund 2024	Restricted Funds 2025	Restricted Funds 2024	Endowment Funds 2025	Endowment Funds 2024	Total 2025	Total 2024
REVENUES								
Revenues - ELC	\$ 1,481,531	\$ 1,343,465	\$ -	\$ -	\$ -	\$ -	\$ 1,481,531	\$ 1,343,465
School revenues (Note 11)	579,953	520,693	-	-	-	-	579,953	520,693
Grants, fundraisers and donations	68,650	177,602	288,168	17,756	294	218	357,112	195,576
CWB investment income (loss) (Note 10)	-	-	281,120	365,119	-	-	281,120	365,119
Security Payments from Parents	45,956	-	-	-	-	-	45,956	-
Interest income	38,585	42,596	3,371	4,265	913	1,678	42,869	48,539
Rental revenue	9,351	8,245	-	-	-	-	9,351	8,245
Other revenue	4,457	5,901	-	-	-	-	4,457	5,901
Canada emergency wage subsidy (Note 9)	-	253,556	-	-	-	-	-	253,556
	<u>2,228,483</u>	<u>2,352,058</u>	<u>572,659</u>	<u>387,140</u>	<u>1,207</u>	<u>1,896</u>	<u>2,802,349</u>	<u>2,741,094</u>
EXPENSES								
Salaries and wages	1,351,809	1,168,765	-	-	-	-	1,351,808	1,168,765
Judaic program enhancements	203,900	108,500	-	-	-	-	203,900	108,500
Alternative program contribution	125,758	215,440	-	-	-	-	125,758	215,440
ELC, OSC and other programming related items	112,589	118,740	21,740	2,626	18,833	-	153,163	121,367
Security guard expense	113,006	128,570	-	-	-	-	113,006	128,570
Amortization	24,684	15,968	69,080	65,827	-	-	93,764	81,795
Professional fees	25,100	37,906	14,200	13,562	-	-	39,299	51,467
Supplies	17,871	20,151	-	-	1,171	1,472	19,043	21,623
Insurance	12,754	10,128	-	-	-	-	12,754	10,128
Travel	67	280	2,090	-	-	-	2,157	280
Advertising and promotion	11,262	18,202	-	-	-	-	11,262	18,202
Office	9,883	8,365	81	-	-	-	9,964	8,365
Memberships	5,265	4,708	-	-	-	-	5,265	4,708
Interest and bank charges	5,173	14,080	-	-	-	-	5,173	14,080
Scholarships	-	-	2,000	3,000	-	-	2,000	3,000
Property taxes	1,774	1,774	-	-	-	-	1,774	1,774
Fundraising	1,525	5,900	-	-	-	-	1,525	5,900
	<u>2,022,420</u>	<u>1,877,477</u>	<u>109,191</u>	<u>85,015</u>	<u>20,004</u>	<u>1,472</u>	<u>2,151,615</u>	<u>1,963,964</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	<u>\$ 206,063</u>	<u>\$ 474,581</u>	<u>\$ 463,468</u>	<u>\$ 302,125</u>	<u>\$ (18,797)</u>	<u>\$ 424</u>	<u>\$ 650,734</u>	<u>\$ 777,130</u>

**EDMONTON TALMUD TORAH SOCIETY
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED AUGUST 31, 2025**

	General Fund 2025	General Fund 2024	Restricted Funds 2025	Restricted Funds 2024	Endowment Funds 2025	Endowment Funds 2024	Total 2025	Total 2024
NET ASSETS - BEGINNING OF YEAR	\$ 1,195,431	\$ 720,850	\$ 4,605,687	\$ 4,303,562	\$ 38,996	\$ 38,572	\$ 5,840,114	\$ 5,062,984
Excess of revenues over expenses	206,063	474,581	463,468	302,125	(18,797)	424	650,734	777,130
Fund transfers on closure	4,378	-	-	-	(4,378)	-	-	-
NET ASSETS - END OF YEAR	\$ 1,405,872	\$ 1,195,431	\$ 5,069,155	\$ 4,605,687	\$ 15,821	\$ 38,996	\$ 6,490,848	\$ 5,840,114

Draft for discussion purposes only - May 27, 2026

EDMONTON TALMUD TORAH SOCIETY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED AUGUST 31, 2025

	General Fund 2025	General Fund 2024	Restricted Funds 2025	Restricted Funds 2024	Endowment Funds 2025	Endowment Funds 2024	Total 2025	Total 2024
OPERATING ACTIVITIES								
Cash receipts from donors, families, grants	\$ 2,410,760	\$ 2,124,240	\$ 288,168	\$ 17,756	\$ 294	\$ 218	\$ 2,699,222	\$ 2,142,214
Cash paid to suppliers, employees and operations	(1,898,693)	(2,017,895)	(7,079)	1,893	(20,004)	(1,472)	(1,925,776)	(2,017,474)
Cash received as bank interest	38,585	42,596	3,371	4,265	913	1,678	42,869	48,539
Rental revenue	9,351	8,245	-	-	-	-	9,351	8,245
Cash flow from (used by) operating activities	560,003	157,186	284,460	23,914	(18,797)	424	825,666	181,524
INVESTING ACTIVITIES								
Purchase of property and equipment	(46,755)	(2,214)	(629,863)	-	-	-	(676,618)	(2,214)
Proceeds from investments and bonds	-	-	98,119	690,457	-	-	98,119	690,457
Paid for purchase of investments	-	-	-	(680,257)	-	-	-	(680,257)
Cash flow from (used by) investing activities	(46,755)	(2,214)	(531,744)	10,200	-	-	(578,499)	7,986
FINANCING ACTIVITIES								
Change in restricted cash	26,886	(26,668)	-	-	-	-	26,886	(26,668)
Interfund transfer	(178,626)	(19,229)	174,288	18,161	4,338	1,068	-	-
Cash flow from (used by) financing activities	(151,740)	(45,897)	174,288	18,161	4,338	1,068	26,886	(26,668)
INCREASE (DECREASE) IN CASH FLOW	361,508	109,075	(72,996)	52,275	(14,459)	1,492	274,053	162,842
Cash - beginning of year	791,144	682,069	148,727	96,452	38,970	37,478	978,841	815,999
CASH - END OF YEAR	\$ 1,152,652	\$ 791,144	\$ 75,731	\$ 148,727	\$ 24,511	\$ 38,970	\$ 1,252,894	\$ 978,841

EDMONTON TALMUD TORAH SOCIETY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2025

1. PURPOSE OF THE SOCIETY

The Edmonton Talmud Torah Society (the "Society") was incorporated under the Societies Act of Alberta on May 15, 1912. The Society is a not-for-profit charitable organization whose purpose is to provide a school in Edmonton, Alberta where specific curriculum of Judaic and Hebraic content is taught. The school provides the students with training in the Hebrew language and culture with an atmosphere and background of Jewish religious traditions, customs, and values.

The Society has an agreement with the Edmonton Public School Board (which operates the Talmud Torah School, and herein will be referred to as Talmud Torah School) to have them run the school age program for the Society by implementing the public school system with a focus on Hebrew education. The Society in return funds and has influence over the Judaic component of the program. The Society is also responsible for the capital costs of the building while the EPSB leases the building from the Society for the Talmud Torah School and pays for related operational costs. The other operations of the Society include the Out of School Care (OSC) and Early Learning Centre (ELC) which are fully under the umbrella of the Society.

No provision has been made in these financial statements for income taxes as the Society is a registered charitable organization for income tax purposes and is exempt under paragraph 149(1)(f) of the Income Tax Act (Canada).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO) and, in management's opinion, with consideration of materiality and within the framework of the following accounting policies:

Fund accounting

The Society follows the restricted fund method of accounting for contributions.

The General Fund accounts for the Society's general operations, program delivery and administrative activities. This fund reports unrestricted resources and restricted operating grants.

The Restricted Fund reports the net assets, revenues and expenses related to Edmonton Talmud Torah Society's building expansion campaigns and other restricted funds, including internally restricted.

- Belinda Tankel Fund - was created with the intent to financially support students who would not otherwise be able to participate in Jewish programming at the school. The fund consists of donations made in Belinda's honour.
- Building Fund - reports restricted resources and funds transferred from unrestricted resources used for the Talmud Torah school and continued improvements to the building. The current school building was completed in November 1997. In 2022, the new Lunchroom was added to the building fund.
- Centennial Fund - was created from the fundraising and revenue-generating activities related to the celebration of Talmud Torah's 100th anniversary. The distribution of the proceeds is internally restricted to purposes determined by the Society's Board.
- Friedman Scholarship Fund - reports restricted resources to be used in awarding scholarships to students for travel to Israel or to participate in activities of Zionist organizations. Interest on the principal generates funds available for annual scholarships, while the principal is to be held in perpetuity. A committee of three board members was created in February 2024 to manage the scholarships and review proposed changes to the fund agreement. Previous proposed changes to the scholarship parameters were approved as the new Friedman Fund scholarship parameters by the board in a March 12, 2024 meeting.

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EDMONTON TALMUD TORAH SOCIETY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2025

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

- General Scholarship Fund - reports restricted resources to be used in awarding scholarships to students.
- Karen and Abe Hering Family Library Fund - was created for the purpose of supplementing the Judaica materials (and other collection areas as identified by Karen Hering) available to students in the Talmud Torah School Library.
- Rachel Ovics Hebrew Study Fund - was created for the purpose of furthering the funding of Hebrew Studies. The fund consists of donations raised by students and alumni.
- Rudolph Library Fund - reports restricted resources to be used to purchase educational materials for the Talmud Torah School Library.
- Rubin Library Fund - reports restricted resources to be used to purchase educational materials for the Talmud Torah School Library.
- Shabbaton Fund - reports internally restricted resources from Grade 6 fundraising activities to be used to finance the Grade 6 Shabbaton.
- Nathan Reboh Outdoor Leisure Space Fund - was created with the intent to build an outdoor leisure space at the Edmonton Talmud Torah, for the purpose of providing students with a shaded, outdoor space to learn, explore, and socialize. The fund consists of donations made in Nathan's honour.

The Endowment Fund reports resources contributed for endowment. Investment income earned on resources of the Endowment Fund is reported in the fund or General Fund depending on the nature of any restrictions imposed by contributors of funds for endowment.

- Charles and Helen Feher Jewish Educational Fund - reports resources contributed for endowment. The investment income generates funds available to be used for a student award, while the principal is to be held in perpetuity. In fiscal 2025, the Society closed this fund and all remaining balances were transferred to the Jewish Community Foundation of Calgary (JCFC) at the direction of the Founder.
- Charles Koliger Scholarship Fund - reports resources contributed for endowment. The investment income generates funds available to be used for an award of \$100 to an outstanding Grade 5 student in Judaic studies.
- Edward Shoctor Scholarship Fund - reports resources contributed for endowment. The investment income generates funds available to be used for scholarships, while the principal is to be held in perpetuity. In fiscal 2025, the Society closed this fund and all remaining balances were transferred to the Edmonton Community Foundation (ECF) at the direction of the Founder.
- Jack and Lillian Soroka Endowment Fund - reports restricted resources available to be used to purchase educational material of a Judaic nature for the Talmud Torah Library. The principal is to be held in perpetuity.
- Satinove Award Fund - reports resources contributed for endowment. The investment income generates funds available to be used for a student award, while the principal is to be held in perpetuity. In fiscal 2025, balances held by the Satinove Award Fund were transferred to the Education Subsidy bank account to help cover bursary costs paid by the school at the direction of the Founder.
- Saslow Award Fund - reports resources contributed for endowment. The investment income generates funds available to be used for a \$25 award for an outstanding student. Any excess investment income is added to principal and after ten years, the principal is free and clear of any trust obligations. In fiscal 2025, balances held by the Saslow Award Fund were transferred to the Education Subsidy bank account to help cover bursary costs paid by the school.

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EDMONTON TALMUD TORAH SOCIETY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2025

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

- Podersky Award Fund - reports resources contributed for endowment. The investment income generates funds available to be used for an award for an outstanding grade six student, while the principal is to be held in perpetuity.
- Yedlin Judaic Studies Award Fund - reports resources contributed for endowment. The investment income generates funds available to be used for a \$100 prize and the balance is available for scholarships. The principal is to be held in perpetuity.

Property and equipment

Property and equipment is stated at cost or deemed cost less accumulated amortization and is amortized over its estimated useful life on a declining balance basis at the following rates and methods:

Land	N/A
Building and lunchroom	4%
Equipment	20%
Computer equipment	30%/45%/55%/100%
Furniture and fixtures	20%
Playground	10%
Mascot	20%
Shed	20%

Property and equipment acquired during the year but not placed into use are not amortized until they are placed into use.

Art is recorded at cost, however when conditions indicate that it is impaired, the net carrying amount of the art shall be written down to the fair value or replacement cost. A write down shall not be reversed. In 2021, the Art was impaired by \$15,500 after an appraisal was conducted for insurance purposes.

Cash and short term investments

Cash and cash equivalents include cash on hand, bank indebtedness and highly liquid investments with a maturity of three months or less at the date of purchase.

Website development costs

For expenditures incurred for the website during the development phase, the Society can make an accounting policy choice either to expense such expenditures as incurred or capitalize such expenditures as an intangible asset.

Although the expenditures meet the criteria to be capitalized as an intangible asset arising from development, the Society has made the accounting policy choice to expense when incurred. Such costs are charged to new website expenses.

Donated goods

Donated goods are recorded at their fair market value at the time of the donation. During the year, \$546 in goods were donated (2024 - \$2,625).

Financial instruments

Financial instruments such as investments, bonds, and marketable securities are recorded at fair value when acquired. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date.

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EDMONTON TALMUD TORAH SOCIETY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2025

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

Financial assets and liabilities subsequently measured at amortized cost on a straight-line basis include cash, restricted cash, State of Israel Bonds, accounts receivable, interest receivable, accounts payable, and employee deductions payable. Financial assets and liabilities subsequently measured at fair value include equity securities, Government short-term debt, and fixed income securities.

Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred. Foreign exchange at the time of purchase, sale or on investment income is reflected by adjusting the related item at the exchange rates present at that time. The investment income uses the average exchange rate for the period.

Revenue recognition

Edmonton Talmud Torah Society follows the restricted fund method of accounting for contributions.

Restricted contributions related to operations are deferred within the General Fund and recognized in revenue in the year in which the related expenses are incurred. All other restricted contributions are recognized as revenue of the appropriate restricted fund when received.

Unrestricted contributions are recognized as revenue of the General Fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Contributions for endowment are recognized as revenue in the Endowment Fund.

Investment income earned on Endowment Fund resources must be spent for the specific purposes according to the endowment requirements. Investment income earned on the various restricted funds is recognized as revenue of the appropriate restricted fund. Unrestricted investment income is recognized as revenue of the general fund.

Contributions related to the building are recognized as revenue within the building fund.

Revenues related to ELC, OSC and after school programs are recorded when earned, which is at the start of the month for the ELC and OSC or when an after school activity is provided. While a significant amount is received from parents directly a significant amount also comes through the Province of Alberta. In both cases, the revenues are recognized by the society when earned.

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.

- a) Valuation of accounts receivable: Management determines the valuation of accounts receivable considering a number of factors including the length of time for past due accounts, the customer's ability and likelihood to pay, the condition of the economy in general, and other pertinent factors.
- b) Impairment in value of long-lived assets: Management reviews the carrying value of long-lived assets such as property and equipment, for impairment in value whenever events or circumstances indicate the carrying value may not be recoverable. If the carrying value exceeds the amount recoverable, based on undiscounted estimated future cash flows, a write-down to fair value is charged to earnings in that period. In 2021, an impairment charge on Art of \$15,500 was taken. Impairment losses are not recovered.

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EDMONTON TALMUD TORAH SOCIETY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2025

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

- c) Useful life of property, plant, and equipment: The Society reviews the period over which an asset is expected to contribute directly or indirectly to its future cash flows and ensures the amortization period is the lesser of the asset's estimated physical, technological, commercial, or legal life.

Net assets

- a) Net assets invested in property and equipment represents the Society's net investment in property and equipment which is comprised of the unamortized amount of property and equipment purchased with restricted funds.
- b) Internally restricted net assets are funds which have been designated for a specific purpose by the Society's Board of Directors. These are reported as part of restricted funds and are reported within the related note on restricted funds.
- c) Unrestricted (General Fund) net assets comprise the excess of revenue over expenses accumulated by the Society each year, net of transfers, and are available for general purposes.
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3. GOING CONCERN ASSUMPTION

These financial statements were prepared using accounting standards that apply to an operating Society. This assumes that the Society will continue its operations for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations.

These financial statements do not reflect adjustments that would be necessary if the going concern assumption were not appropriate. This is because management believes that the aforementioned measures it has taken or intends to take will mitigate the effect of the conditions and events that cast doubt on the appropriateness of this assumption.

4. FINANCIAL INSTRUMENTS

The Society is exposed to various risks through its financial instruments. The Society also has a specific investment policy that details the risk of investments the Society purchases. The following analysis provides information about the Society'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 Society is exposed to credit risk from parents who make annual contributions and individual users of the services. This is minimized as the majority of receivables are small balances with many different individuals and organizations or are due from Government entities. An allowance for doubtful accounts is established based upon factors surrounding the credit risk of specific accounts, historical trends and other information. The Society has a significant number of customers which minimizes concentration of credit risk.

The Society also invests in government and commercial bonds, including a significant investment in Israel Savings Bonds. The risk of these bonds is that they are backed by the government or corporation who issued such bonds and should the entity be unable to pay the funds when due there would be a significant impact on the society, however, they are considered low risk and are denominated in Canadian dollars.

There are a number of parents refusing to pay annual contributions to the Society which increases the risk that expected annual contributions will not be received in future from parents who have agreed to make the payments. Accounts receivable is not reflected for annual parent contributions.

(continues)

EDMONTON TALMUD TORAH SOCIETY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2025

4. FINANCIAL INSTRUMENTS *(continued)*

Liquidity risk

Liquidity risk refers to the risk that the Society will not be able to meet a demand for cash or fund its obligations as they come due. The Society meets its liquidity requirements through the use of bank accounts, short-term investments, and bonds. The State of Israel Bonds are non-cashable and are to be held until maturity.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency rate risk, interest rate risk and other price risk. The Society is mainly exposed to interest rate risk as a number of investments are in conservative and bond investments which fluctuate with interest rate changes. Price risk is also relevant should the Society have difficulty adjusting prices charged to its users for use of the services.

Currency risk

Currency risk is the risk to the Society's earnings that arise from fluctuations of foreign exchange rates and the degree of volatility of these rates. The Society is exposed to foreign currency exchange risk on short-term investments in foreign companies. The Society does not use derivative instruments to reduce its exposure to foreign currency and has minimal use of foreign currency.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the Society manages exposure through its normal operating and financing activities.

Inflation rate risk

Inflation rate risk is that the costs of inputs to the society, specifically, school repairs/capital expenditures, salaries to ELC/OSC employees, and payments to Talmud Torah School are unable to be passed on to users of its services by increased daycare fees or annual contributions. The society monitors its costs increases and considers its pricing structure in respect of inflation. Adjustments to policies in relation to fees charged, investment policies and costs are reviewed by the board.

Unless otherwise noted, it is management's opinion that the Society is not exposed to significant other price risks arising from these financial instruments.

5. STATE OF ISRAEL BONDS

	Maturity date	Interest rate %	2025	2024
8th Jubilee 2 year	March 1, 2025	4.72%	\$ -	\$ 100,000
8th Jubilee 5 year	March 1, 2028	4.73%	100,000	100,000
8th Jubilee 10 year	March 1, 2033	4.90%	100,000	100,000
			\$ 200,000	\$ 300,000

Interest is paid semi-annually on May 1 and November 1 of each year.

EDMONTON TALMUD TORAH SOCIETY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2025

6. INVESTMENTS

	2025	2024
Cash (deficiency)	\$ 1,132	\$ (4,012)
Government short term debt, approximate yield of 2.67% (2024 - 4.58%)	28,976	62,315
Government and other fixed income securities, approximate yield of 3.97% (2024 - 4.03%)	761,714	686,073
Canadian equity securities, cost of \$575,534 (2024 - \$558,096)	845,748	747,697
Foreign equity securities, cost of \$449,631 (2024 - \$437,097)	854,958	747,865
	\$ 2,492,528	\$ 2,239,938

7. PROPERTY AND EQUIPMENT

The following are assets held by the General Fund:

	Cost	Accumulated amortization	2025 Net book value	2024 Net book value
Equipment	\$ 365,280	\$ 289,995	\$ 75,285	\$ 54,786
Computer equipment	313,162	304,101	9,061	1,116
Art	14,500	-	14,500	14,500
Mascot	6,611	2,803	3,809	4,760
	\$ 699,553	\$ 596,899	\$ 102,655	\$ 75,162

The following assets are held by the Restricted Funds:

	Cost	Accumulated amortization	2025 Net book value	2024 Net book value
Talmud Torah site	\$ 681,916	-	\$ 681,916	\$ 681,916
Building and lunchroom	4,385,049	2,508,878	1,876,171	1,311,360
Furniture and fixtures for lunchroom	31,992	17,250	14,742	18,427
Playground	127,807	87,306	40,500	45,001
Shed	8,781	3,723	5,058	6,322
	\$ 5,235,545	\$ 2,617,157	\$ 2,618,387	\$ 2,063,026
Total property and equipment	\$ 5,935,098	\$ 3,214,056	\$ 2,721,042	\$ 2,138,188

8. INTERFUND TRANSFERS AND BALANCES

The interfund balances at year-end are non-interest bearing and have no specified terms of repayment. The transfers are generally from the General fund to a restricted fund to support a specific activity for which the restricted fund does not have a sufficient bank balance or from the restricted fund to the General fund for specific General fund purposes.

EDMONTON TALMUD TORAH SOCIETY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2025

9. COVID-19 GOVERNMENT FUNDING

The Canadian government offered benefits to help Canadians and businesses facing hardship because of the global COVID-19 outbreak. This included the Canada Emergency Wage Subsidy (CEWS), the Canada Emergency Rent Subsidy (CERS) and the Canada Emergency Business Account (CEBA) loan. As this funding was pandemic related, they are not expected to be an ongoing part of revenue.

1. Canada Emergency Wage Subsidy (CEWS):

- a) The Society received funds for CEWS claim periods 2-8, 9-13, and 15-16 in the current year, after submitting appeals and being granted a favourable decision. No additional claims or appeals were made in fiscal 2025.

2. Canada Emergency Rent Subsidy (CERS):

- a) The Society received funds for CERS claim periods 8-9 in the current year, after submitting an appeal and being granted a favourable decision. No additional claims or appeals were made in fiscal 2025.

10. CWB INVESTMENT INCOME

Investment income is made up of the following:

	2025	2024
<u>CWB Investment income</u>		
Dividend, interest and other investment income	\$ 67,122	\$ 65,175
Gains (loss) on investments	213,998	299,944
	\$ 281,120	\$ 365,119

Draft for discussion purposes only - May 27, 2025

EDMONTON TALMUD TORAH SOCIETY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2025

11. PARENT CONTRIBUTIONS

The Society's key fundraising tool is the contributions from parents to support operations of the school and payments to Talmud Torah School as required under the related agreements to fund Judaic and other education costs in addition to capital expenditures for the building. This schedule reflects the funds received in relation to these contributions.

The Integrated Bursary Program (IBP) was created by the Jewish Federation of Edmonton to make the process of applying for a bursary more dignified, anonymous, effective and fair. The Society is part of the IBP program. It is the Society's policy that families and individuals needing a bursary be accommodated as the Society is committed to the ideal that no child of the Jewish community be denied a Jewish education due to financial need. Those families that do not have the financial resources to pay full fees are considered for a bursary through IBP.

The bursary is funded jointly by the United Jewish Appeal through the Jewish Federation of Edmonton and the Society.

	2025	2024
<u>Parent contributions</u>		
Annual parent school contributions	\$ 632,740	\$ 560,619
Parents who refuse to pay annual contributions	(22,031)	(30,114)
Net contributions before bursary	610,709	530,505
IBP approved bursary to reduce amounts for school contributions	(133,753)	(99,816)
Society approved bursaries	(1,763)	(9,200)
United Jewish Appeal funded bursary for IBP	94,000	99,204
JFED surplus allocation	10,760	-
Bursary funded by the Society	(30,756)	(9,812)
Net contribution revenues	\$ 579,953	\$ 520,693

Draft for discussion purposes only - May 2025

EDMONTON TALMUD TORAH SOCIETY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2025

12. RESTRICTED FUNDS DETAILS

Restricted funds purposes can be reviewed under Note 2.

	Net Assets,					
	Opening	Revenues	Expenditures	2025	2024	
<u>Building and internally restricted funds</u>						
Building	\$ 3,924,514	\$ 485,199	\$ 79,772	\$ 4,329,941	\$ 3,924,514	
Centennial ¹	484,942	55,424	2,924	537,442	484,942	
Shabbaton ¹	34,402	7,552	7,060	34,894	34,402	
	<u>4,443,858</u>	<u>548,175</u>	<u>89,756</u>	<u>4,902,277</u>	<u>4,443,858</u>	
<u>Library Fund - Restricted fund</u>						
Rudolph	10,432	239	-	10,671	10,432	
Rubin	1,011	26	974	63	1,011	
Hering	3,325	273	330	3,268	3,325	
	<u>14,768</u>	<u>538</u>	<u>1,304</u>	<u>14,002</u>	<u>14,768</u>	
<u>Scholarships & Awards - Restricted</u>						
Friedman	101,746	11,335	2,584	110,497	101,746	
Tankel	15,588	941	6,331	10,198	15,588	
General						
Scholarship						
Fund	140	3,141	-	3,281	140	
	<u>117,474</u>		<u>8,915</u>	<u>123,976</u>	<u>117,474</u>	
<u>Judaic & Hebrew Fund - Restricted</u>						
Rachel Ovics	22,257	725	9,216	13,766	22,257	
<u>Nathan Reboh Fund - Restricted</u>						
Nathan Reboh	7,330	7,804	-	15,134	7,330	
	<u>\$ 4,605,687</u>	<u>\$ 572,659</u>	<u>\$ 109,191</u>	<u>\$ 5,069,155</u>	<u>\$ 4,605,687</u>	

¹ internally restricted

13. ENDOWMENT FUNDS

Endowment funds purposes can be reviewed under Note 2.

	Net Assets,					
	Opening	Revenues	Expenditures	2025	2024	
<u>Endowment funds</u>						
Shoctor ¹	\$ 14,678	\$ 293	\$ 14,971	\$ -	\$ 14,678	
Podersky	6,874	192	-	7,066	6,874	
Soroka	4,872	471	1,171	4,172	4,872	
Feher ²	3,828	34	3,862	-	3,828	
Satinove ³	3,564	77	3,641	-	3,564	
Koliger	2,582	72	-	2,654	2,582	
Yedlin	1,877	52	-	1,929	1,877	
Saslow ³	720	16	736	-	720	
	<u>\$ 38,995</u>	<u>\$ 1,207</u>	<u>\$ 24,381</u>	<u>\$ 15,821</u>	<u>\$ 38,995</u>	

¹ Fund closed in 2025. Remaining assets transferred to the Edmonton Community Foundation

² Fund closed in 2025. Remaining assets transferred to the Jewish Community Foundation of Calgary

³ Fund closed in 2025. Remaining assets transferred to the General Fund

EDMONTON TALMUD TORAH SOCIETY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2025

14. DEFERRED GRANTS

The Society is a beneficiary of the AGLC casino funds. These funds can be used for specific purposes as outlined by the AGLC. As the use of the funds, within the approved AGLC framework are used, they are recognized in as revenues. The Society has also received various other contributions to be used for specific purposes.

	AGLC deferred grants	Other deferred grants for specific purposes	2025	2024
Balance, beginning of year	\$ 30,048	\$ 12,500	\$ 42,548	\$ 8,984
Less: Amount recognized as revenue in the year	(30,048)	-	(30,048)	(56,144)
Plus: Amount received	-	-	-	89,707
	\$ -	\$ 12,500	\$ 12,500	\$ 42,547

15. COMPARATIVE FIGURES

Some of the comparative figures have been reclassified to conform to the current year's presentation.

Draft for discussion purposes only - August 27, 2025

EDMONTON TALMUD TORAH SOCIETY
GENERAL FUND : SCHEDULE OF SOCIETY REVENUE AND EXPENSES
(Schedule 1)
FOR THE YEAR ENDED AUGUST 31, 2025

	2025	2024
REVENUES		
Parent Contributions	\$ 610,709	\$ 530,505
Security Payments from Parents	45,956	-
Grants	37,547	112,676
Interest income	35,518	40,890
Fundraisers	30,138	29,118
Rental revenue	9,351	8,245
Various programs and activities	4,457	5,643
Donations	965	30,132
Canada emergency rent subsidy (CERS)	-	50
Canada emergency wage subsidy (CEWS)	-	33,812
Bursaries	(135,515)	(109,015)
	<u>639,126</u>	<u>682,056</u>
EXPENSES		
Security guard expense	113,006	128,570
Salaries and wages	81,198	79,628
ELC , OSC and other programming	38,150	30,369
Advertising and promotion	11,262	18,202
Amortization	24,684	15,968
Professional fees	12,438	12,813
Interest and bank charges	5,293	8,548
Professional development	6,779	7,140
Insurance	6,377	6,667
Fundraising	1,525	5,900
Memberships	5,265	4,708
Judaic / Hebrew supplies	3,913	2,046
Property taxes	1,774	1,774
Travel	67	280
	<u>311,731</u>	<u>322,613</u>
EXCESS OF REVENUES OVER EXPENSES	<u>327,395</u>	<u>359,443</u>
TRANSFER TO SCHOOL OPERATIONS	<u>(254,718)</u>	<u>(241,595)</u>
EXCESS OF REVENUES OVER EXPENSES	<u>\$ 72,677</u>	<u>\$ 117,848</u>

EDMONTON TALMUD TORAH SOCIETY
GENERAL FUND : SCHEDULE OF EDUCATIONAL CONTRIBUTIONS AND EXPENSES
(Schedule 2)
FOR THE YEAR ENDED AUGUST 31, 2025

	2025	2024
REVENUES		
Transfer from society general fund	\$ 254,718	\$ 241,595
United Jewish Appeal of Edmonton (Note 11)	104,760	99,204
Interest income	51	-
Fundraisers	-	2,290
	359,529	343,089
EXPENSES		
Judaic enhancement costs	203,900	108,500
Alternative program contribution	125,758	215,440
Judaic / Hebrew supplies	13,959	18,105
Salaries and wages	12,809	-
Professional development	3,103	1,044
	359,529	343,089
EXCESS OF REVENUES OVER EXPENSES	\$ -	\$ -

In accordance with the agreement between the Society and EPSB, the Society is responsible for costs related to the functioning of the Judaic program. As a result, any funds required to cover the expenses related to the school are recorded as transfer from the Society portion of the General Fund. In addition, the funds received from the United Jewish Appeal of Edmonton are to be used for the School portion of the General fund and as such are recognized within this schedule.

EDMONTON TALMUD TORAH SOCIETY
GENERAL FUND : SCHEDULE OF ELC, OSC AND OTHER RELATED PROGRAMS
(Schedule 3)
FOR THE YEAR ENDED AUGUST 31, 2025

	2025	2024
REVENUES		
Government of Alberta Affordability Grants	\$ 663,003	\$ 493,005
ELC revenues	424,345	378,043
Government of Alberta Subsidies and Other Payments	353,334	412,239
Government of Alberta Cost Increase Replacement Funding	32,599	42,806
Registration fees	8,250	6,850
Interest income	3,017	1,707
Canada emergency wage subsidy (CEWS) - Recovered	-	219,643
Fundraisers	-	3,046
ELC Operating grant	-	10,522
Other revenue	-	258
Canada emergency rent subsidy (CERS)	-	50
	<u>1,484,548</u>	<u>1,568,169</u>
EXPENSES		
Salaries and wages	1,257,804	1,089,138
Other related expenses	74,439	88,371
Professional fees	12,662	25,093
Interest and bank charges	(120)	5,531
Insurance	6,377	3,461
Office	-	181
	<u>1,351,162</u>	<u>1,211,775</u>
EXCESS OF REVENUES OVER EXPENSES	<u>\$ 133,386</u>	<u>\$ 356,394</u>

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