
**GLOBAL KINGDOM MINISTRIES
CHURCH INC.
FINANCIAL STATEMENTS
SEPTEMBER 30, 2025**

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INDEPENDENT AUDITOR'S REPORT

To the Members
Global Kingdom Ministries Church Inc.

Opinion

We have audited the accompanying financial statements of Global Kingdom Ministries Church Inc. which comprise the statement of financial position as at September 30, 2025, and the statement of operations, statement of changes in fund balances and statement of 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 entity as at September 30, 2025, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

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 entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other 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 these financial statements in accordance with Canadian accounting standards for not-for-profit organizations 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 entity'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 entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the entity'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.

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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:

- 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 entity'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 entity'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 entity 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.



NORTON McMULLEN LLP
Chartered Professional Accountants, Licensed Public Accountants

MARKHAM, Canada
January 26, 2026

GLOBAL KINGDOM MINISTRIES CHURCH INC.**STATEMENT OF FINANCIAL POSITION**

As at September 30,	2025	2024
ASSETS		
Current		
Cash and cash equivalents (Note 2)	\$ 446,445	\$ 238,725
Short-term investments (Note 3)	77,019	-
Accounts and other receivables	59,889	10,630
HST recoverable	56,224	44,991
Prepaid expenses	42,753	33,566
	<u>\$ 682,330</u>	<u>\$ 327,912</u>
Capital Assets (Note 4)	6,079,574	12,955,344
Long-Term Investments (Note 3)	-	77,019
	<u>\$ 6,761,904</u>	<u>\$ 13,360,275</u>

LIABILITIES**Current**

Accounts payable and accrued liabilities	\$ 143,216	\$ 257,107
Current portion of long-term debt (Note 5)	<u>124,453</u>	<u>6,792,135</u>
	<u>\$ 267,669</u>	<u>\$ 7,049,242</u>
Long-Term Debt (Note 5)	5,675,547	-
Retirement Allowance Payable	22,500	-
Deferred Capital Contributions (Note 7)	1,000	2,000
	<u>\$ 5,966,716</u>	<u>\$ 7,051,242</u>

FUND BALANCES

Unrestricted	\$ 416,614	\$ 47,825
Internally restricted fund	100,000	100,000
Capital and development fund	278,574	6,161,208
	<u>\$ 795,188</u>	<u>\$ 6,309,033</u>
	<u>\$ 6,761,904</u>	<u>\$ 13,360,275</u>

Contingencies (Note 13)

Approved by the Board:

Denise Steele

Director

Farook Anshan

Director

See accompanying notes

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GLOBAL KINGDOM MINISTRIES CHURCH INC.**STATEMENT OF CHANGES IN FUND BALANCES**

For the year ended September 30, 2025

2025

2024

	General Fund			Total	Total
	General Unrestricted	Internally Restricted Fund	Capital and Development Fund		
BALANCE - Beginning	\$ 47,825	\$ 100,000	\$ 6,161,208	\$ 6,309,033	\$ 6,877,563
Excess (deficiency) of revenues over expenses	404,024	-	(5,917,869)	(5,513,845)	(568,530)
Transfer to the capital and development fund (Note 11)	(35,235)	-	35,235	-	-
BALANCE - Ending	<u>\$ 416,614</u>	<u>\$ 100,000</u>	<u>\$ 278,574</u>	<u>\$ 795,188</u>	<u>\$ 6,309,033</u>

See accompanying notes

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GLOBAL KINGDOM MINISTRIES CHURCH INC.**STATEMENT OF OPERATIONS**

For the year ended September 30,

2025**2024**

REVENUES

Gain on sale of land and building (Note 10)	\$ 3,825,029	\$ -
Contributions		
General	2,327,309	2,579,465
Missions	117,149	109,171
Capital	13,389	9,970
Rental	392,944	385,308
Ministry	106,233	96,848
Government assistance (Note 8)	33,342	82,998
Interest and other	11,668	13,271
	<u>\$ 6,827,063</u>	<u>\$ 3,277,031</u>

EXPENSES

Settlement payment to Trustee (Note 10)	\$ 8,900,000	\$ -
Ministry (Note 9)	1,348,607	1,417,106
Administration (Note 9)	646,383	1,110,828
Loan interest	452,867	338,308
Building maintenance and operations (Note 9)	418,362	328,739
Amortization	409,561	419,339
Missions and outreach (Note 9)	111,191	157,464
Facility rental (Note 9)	53,937	73,777
	<u>\$ 12,340,908</u>	<u>\$ 3,845,561</u>

DEFICIENCY OF REVENUES OVER EXPENSES\$ (5,513,845) \$ (568,530)

See accompanying notes

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GLOBAL KINGDOM MINISTRIES CHURCH INC.**STATEMENT OF CASH FLOWS**

For the year ended September 30,

2025**2024**

CASH AND CASH EQUIVALENTS WERE PROVIDED BY (USED IN):**OPERATING ACTIVITIES**

Deficiency of revenues over expenses	\$ (5,513,845)	\$ (568,530)
Items not affecting cash:		
Gain on sale of land and building	(3,825,029)	-
Amortization	409,561	419,339
Amortization of deferred capital contributions	(1,000)	(1,000)
	<u>\$ (8,930,313)</u>	<u>\$ (150,191)</u>
Net change in non-cash working capital balances		
Accounts and other receivables	(49,259)	19,596
HST recoverable	(11,233)	(15,684)
Prepaid expenses	(9,187)	(27,108)
Accounts payable and accrued liabilities	(113,891)	123,915
Retirement allowance payable	22,500	-
	<u>\$ (9,091,383)</u>	<u>\$ (49,472)</u>

FINANCING ACTIVITIES

Repayment of long-term debt	\$ (992,135)	\$ (153,967)
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INVESTING ACTIVITIES

Reinvested interest on investments	\$ -	\$ (239)
Proceeds on sale of land and building	10,324,559	-
Purchase of capital assets	(33,321)	(23,526)
	<u>\$ 10,291,238</u>	<u>\$ (23,765)</u>

INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS

	\$ 207,720	\$ (227,204)
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CASH AND CASH EQUIVALENTS - Beginning

	<u>238,725</u>	<u>465,929</u>
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CASH AND CASH EQUIVALENTS - Ending

	<u>\$ 446,445</u>	<u>\$ 238,725</u>
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See accompanying notes

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GLOBAL KINGDOM MINISTRIES CHURCH INC.

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2025

NATURE OF OPERATIONS

Global Kingdom Ministries Church Inc. (the "Church") is a multi-cultural family that worships together, grows together, and shares the Good News of Jesus Christ.

The Church was incorporated under the Corporations Act (Ontario) on June 28, 2018 and is a registered charity under the Income Tax Act. On July 2, 2020, The Church changed its name to Global Kingdom Ministries Church Inc. On October 1, 2020, Trinity Ravine Community Inc. (formerly Global Kingdom Ministries Inc.) transferred the net assets of its ministry operations to the Church.

1. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations, and include the following significant accounting policies.

a) Fund Accounting

Resources are classified into funds according to the activities or objectives specified as follows:

i) General Fund - Unrestricted

The unrestricted fund accounts for the Church's ministry and administrative activities that are not accounted for within the internally restricted fund.

ii) General Fund - Internally Restricted

The internally restricted fund consists of the Contingency and Reserve Fund and is set aside by a resolution of the Church's Board of Directors (the "Board") to cover unexpected costs arising from unforeseen circumstances and planned costs for major repair and maintenance.

iii) Capital and Development Fund

The Capital and Development Fund reflects internally restricted revenue and funds expended to purchase and develop property and equipment.

b) Revenue Recognition

The Church follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which related expenses are incurred. Unrestricted contributions are recognized as revenue when they are received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Government assistance is recognized in the statement of operations when received or receivable within the year to which it relates. Government assistance received toward the purchase of capital assets are treated as deferred capital contributions and amortized into revenue on the same basis as the amortization of associated capital assets. Ministry, rental, interest and other income is recognized as earned if collection is reasonably assured.

GLOBAL KINGDOM MINISTRIES CHURCH INC.

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2025

1. SIGNIFICANT ACCOUNTING POLICIES - Continued

c) Use of Estimates

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions based on currently available information. Such estimates and assumptions affect the reported amounts of assets and liabilities as at the date of the financial statements and the reported amounts of revenues and expenses during the year. Actual results could differ from the estimates used.

Significant estimates and assumptions include the collectability of accounts receivable and the estimated useful life of capital assets.

d) Cash and Cash Equivalents

Cash and cash equivalents consist of cash held in the Church's bank accounts and cashable term deposits.

e) Capital Assets

Capital assets are recorded at cost. Amortization is being provided over the estimated useful life of the assets using the following annual rates and methods:

	<u>Rate</u>	<u>Method</u>
Building	40 years	straight-line
Furniture and equipment	5 years	straight-line
Computer equipment and software	3 years	straight-line
Vehicle	3 years	straight-line

f) Impairment of Capital Assets

When a tangible capital asset no longer contributes to an organization's ability to provide goods and services, or the value of future economic benefits or service potential associated with the tangible capital asset is less than its net carrying amount, the net carrying amount of the tangible capital asset is written down to the asset's fair value or replacement cost. If the asset's fair value or replacement cost is determined to be less than its net carrying value, the resulting impairment is reported in the statement of operations. Any impairment recognized is not reversed.

GLOBAL KINGDOM MINISTRIES CHURCH INC.

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2025

1. SIGNIFICANT ACCOUNTING POLICIES - Continued

g) Contributed Services

Volunteers contribute significant hours per year to assist the Church in carrying out its activities. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

h) Jointly Controlled Assets and Operations

The Church has interests in arrangements that involve joint control, which exists when decisions about the relevant activities require the consent of the parties sharing control. Joint arrangements are classified as either joint operations or joint ventures, depending on the rights and obligations of the parties involved.

The Church recognizes in its financial statements its share of assets that it controls jointly, its share of any liabilities that it incurs jointly with other parties, and its share of revenues and expenses arising from the joint operation.

Measurement and Presentation

Transactions between the Church and a joint arrangement are recognized in accordance with the substance of the transaction and the Church's proportionate interest.

i) Financial Instruments

Measurement of Financial Instruments

The Church initially measures its financial assets and financial liabilities originated or exchanged in arm's length transactions at fair value.

Financial assets and financial liabilities originated or exchanged in related party transactions, except for those that involve parties whose sole relationship with the Church is in the capacity of management, are initially measured at cost.

The Church subsequently measures all its financial assets and liabilities at cost or amortized cost.

GLOBAL KINGDOM MINISTRIES CHURCH INC.

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2025

1. SIGNIFICANT ACCOUNTING POLICIES - Continued

i) Financial Instruments - Continued

Financial assets subsequently measured at amortized cost include cash and cash equivalents, short-term investments and accounts and other receivables. Financial liabilities subsequently measured at amortized cost include accounts payable and accrued liabilities and long-term debt.

The Church has no financial assets measured at fair value and has not elected to carry any financial asset or liability at fair value.

Impairment

Financial assets measured at amortized cost are tested for impairment when events or circumstances indicate possible impairment. Write-downs, if any, are recognized in the excess (deficiency) of revenues over expenses and may be subsequently reversed to the extent that the net effect after the reversal is the same as if there had been no write-down. There are no impairment indicators in the current year.

2. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of the following:

	2025	2024
Cash	\$ 46,445	\$ 98,725
Cashable term deposits		
Interest at 2.35% per annum, matures December 2025	150,000	-
Interest at 2.35% per annum, matures November 2025	100,000	-
Interest at 2.30% per annum, matures October 2025	50,000	-
Interest at 4.05% per annum, matured October 2024	-	40,000
Cashable term deposits - internally restricted for Contingency and Reserve Fund		
Interest at 2.30% per annum, matures March 2026	50,000	-
Interest at 2.60% per annum, matures January 2026	50,000	-
Interest at 4.05% per annum, matured October 2024	-	50,000
Interest at 4.15% per annum, matured October 2024	-	50,000
	<u>\$ 446,445</u>	<u>\$ 238,725</u>

GLOBAL KINGDOM MINISTRIES CHURCH INC.

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2025

3. INVESTMENTS

Investments consist of the following:

	2025	2024
Guaranteed investment certificate (GIC)		
Interest at 0.25% per annum, matured October 2025	\$ 77,019	\$ 77,019
Less: Current portion	<u>77,019</u>	<u>-</u>
Long-term portion	<u>\$ -</u>	<u>\$ 77,019</u>

4. CAPITAL ASSETS

Capital assets consist of the following:

	2025			2024
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Land at 1250 Markham Road	\$ 2,059,973	\$ -	\$ 2,059,973	\$ 4,204,026
Building	6,689,567	2,789,973	3,899,594	8,299,661
Property under development	-	-	-	284,392
Furniture & equipment	491,230	379,683	111,547	157,601
Computer equipment & software	48,669	42,570	6,099	5,729
Vehicle	4,722	2,361	2,361	3,935
	<u>\$ 9,294,161</u>	<u>\$ 3,214,587</u>	<u>\$ 6,079,574</u>	<u>\$ 12,955,344</u>

The full amount of Phase III property under development has been written off as impaired with the sale of property in the year (Note 10).

The net book values of the assets disposed of associated with the 51% sale of property in the year (Note 10) consist of the following:

Land at 1250 Markham Road	\$ 2,144,053
Building	4,066,014
Building equipment	<u>5,071</u>
	<u>\$ 6,215,138</u>

GLOBAL KINGDOM MINISTRIES CHURCH INC.

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2025

5. LONG-TERM DEBT

Long-term debt consists of the following:

	2025	2024
TD mortgage loan, bearing interest at a fixed rate of 4.723% due September 12, 2027, secured by a General Security Agreement on all assets and undertakings of the Church and FUPC, and Continuing Collateral Mortgage in the amount of \$7,800,000 registered against real property located at 1250 Markham Road, Toronto, Ontario	\$ 5,800,000	\$ -
PAOC mortgage loan, bearing interest at a fixed rate of 7%, fully paid September 12, 2025	<u>-</u>	<u>6,792,135</u>
	\$ 5,800,000	\$ 6,792,135
Less: Current portion	<u>124,453</u>	<u>6,792,135</u>
	<u>\$ 5,675,547</u>	<u>\$ -</u>

As at year end, future minimum principal payments are expected to be as follows:

2026	\$ 124,453
2027	<u>5,675,547</u>
	<u>\$ 5,800,000</u>

6. LETTER OF CREDIT

The Church has a letter of credit in the amount of \$62,000 from TD Canada Trust under agreement dated August 8, 2006 in favour of the City of Toronto relating to the current church building. As at the year end, \$Nil (2024 - \$Nil) of the letter of credit was being used. The letter of credit is secured by a GIC held with the bank.

GLOBAL KINGDOM MINISTRIES CHURCH INC.

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2025

7. DEFERRED CAPITAL CONTRIBUTIONS

Deferred capital contributions consists of government assistance received for the purchase of equipment. The change in deferred capital contributions for the year consists of the following:

	2025	2024
Balance - Beginning	\$ 2,000	\$ 3,000
Add: amount received for purchase of equipment	-	-
Less: amount recognized as revenue in the year	<u>(1,000)</u>	<u>(1,000)</u>
Balance - Ending	<u>\$ 1,000</u>	<u>\$ 2,000</u>

8. GOVERNMENT ASSISTANCE

Government assistance consists of the following:

	2025	2024
Canada Summer Jobs Grant	\$ 27,342	\$ 81,998
Toronto Community Crisis Response Fund	5,000	-
Ontario Anti-Hate Security Grant	<u>1,000</u>	<u>1,000</u>
	<u>\$ 33,342</u>	<u>\$ 82,998</u>

9. GENERAL FUND EXPENSES

	2025	2024
Ministry		
Personnel	\$ 1,088,316	\$ 1,105,063
Church ministries and community	160,456	170,544
Next generation ministries	<u>99,835</u>	<u>141,499</u>
	<u>\$ 1,348,607</u>	<u>\$ 1,417,106</u>
Administration		
Operating expenses	\$ 395,530	\$ 799,612
Personnel	<u>250,853</u>	<u>311,216</u>
	<u>\$ 646,383</u>	<u>\$ 1,110,828</u>

GLOBAL KINGDOM MINISTRIES CHURCH INC.

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2025

9. GENERAL FUND EXPENSES - Continued

	2025	2024
Building maintenance & operations		
Operating expenses	\$ 302,678	\$ 232,615
Operating expenses - joint operations	5,061	-
Personnel	104,867	96,124
Personnel - joint operations	5,756	-
	<u>\$ 418,362</u>	<u>\$ 328,739</u>
Missions and outreach		
Local and national missions and outreach	\$ 64,941	\$ 93,920
Global missions and outreach	46,250	63,544
	<u>\$ 111,191</u>	<u>\$ 157,464</u>
Facility rental		
Facility rental	\$ 50,798	\$ 73,777
Facility rental - joint operations	3,139	-
	<u>\$ 53,937</u>	<u>\$ 73,777</u>

10. SALE OF PROPERTY AND JOINT ARRANGEMENT

During the year, the Church entered into an agreement of purchase and sale with First United Pentecostal Church of Toronto (FUPC) whereby FUPC agreed to purchase 51% ownership interest in the property located at 1250 Markham Road, Scarborough, Ontario, for the purchase price of \$10,600,000, with a closing date of September 12, 2025. Net proceeds from the sale, after selling costs were \$10,324,559. The net book value of the portion of land and building sold was \$6,215,138 and property under development was written off as an impairment loss of \$284,392 upon the sale, resulting in a gain on the sale of the property of \$3,825,029. The settlement payment made to the Trustee of Trinity Ravine Community Inc. (TRC) from the proceeds of the sale was \$8,900,000.

The Church also entered into a co-ownership agreement with FUPC. As a result, the Church holds jointly controlled assets and operations with FUPC.

GLOBAL KINGDOM MINISTRIES CHURCH INC.

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2025

10. SALE OF PROPERTY AND JOINT ARRANGEMENT - Continued

As at September 30, 2025, the Church's interest in jointly controlled assets consists of 49% ownership of the property located at 1250 Markham Road. The Church's share of the jointly controlled assets and liabilities jointly incurred at September 30, 2025 are as follows:

49% of Jointly Controlled Assets

Accounts receivable	\$ 10,560
Land at 1250 Markham Road	2,059,973
Building	3,899,594
Building equipment	4,761
	<u>\$ 5,974,888</u>

49% of Liabilities Jointly Incurred

Accounts payable	<u>\$ 9,468</u>
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The Church's share of revenues earned and expenses incurred from these jointly controlled assets for the year ended September 30, 2025 are as follows:

Revenue

Rental	<u>\$ 10,559</u>
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Expenses

Building maintenance & operations - operating expenses	\$ 5,061
Building maintenance & operations - personnel	5,756
Facility rental	3,139
	<u>\$ 13,956</u>

There were no significant commitments or contingent liabilities related to these jointly controlled assets as at September 30, 2025.

11. INTERFUND TRANSFERS

Transfers between funds are recognized when resources of one fund have been authorized to finance activities and acquisitions in another fund. The Board authorized a \$35,235 (2024 - \$505,591) transfer of part of the General Fund excess of revenue over expenses to the Capital and Development Fund to assist with the purchase of capital assets and repayment of debt.

GLOBAL KINGDOM MINISTRIES CHURCH INC.

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2025

12. FINANCIAL INSTRUMENTS

Risks and Concentrations

The Church is exposed to various risks through its financial instruments. The following analysis provides a summary of the Church's exposure to and concentrations of risk at September 30, 2025:

a) Credit Risk

Credit risk is the risk that one party to a financial instrument will cause financial loss for the other party by failing to discharge an obligation. The Church is not exposed to significant credit risk. There has been no change in the assessment of credit risk from the prior year.

b) Liquidity Risk

Liquidity risk is the risk that the Church will encounter difficulty in meeting obligations associated with financial liabilities. The Church is exposed to this risk mainly with respect to its accounts payable and long-term debt. The Church manages this risk by ensuring that adequate cash reserves are maintained and holding GIC's and term deposits that can be readily converted into cash. There has been no change in the assessment of liquidity risk from the prior year.

c) 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 risk, interest rate risk, and price risk. The Church is exposed to interest rate risk as follows:

i) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Church is exposed to interest rate risk with respect to its long-term debt. Fixed interest rate instruments subject an entity to fair value risk, since fair value fluctuates inversely to changes in market interest rates.

13. CONTINGENCIES

The Church has no new claims against it in 2025. It remains subject to previous claims made against it regarding TRC. In the opinion of management, the ultimate outcome and the total amount of any potential liability cannot be reasonably estimated. Given the uncertainty, no accrual for a liability has been recorded in these financial statements.