
**THE CHURCHWARDENS OF THE CHURCH OF
TRINITY EAST IN THE DIOCESE OF TORONTO
("LITTLE TRINITY")**

FINANCIAL STATEMENTS

DECEMBER 31, 2024

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INDEPENDENT AUDITOR'S REPORT

To the Members

The Churchwardens of the Church of Trinity East in the Diocese of Toronto ("Little Trinity")

TORONTO

Ontario

Qualified Opinion

We have audited the accompanying financial statements of The Churchwardens of the Church of Trinity East in the Diocese of Toronto which comprise the statement of financial position as at December 31, 2024 and the statement of operations and changes in fund balances, and the 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, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the accompanying financial statements present fairly, in all material respects, the financial position of the entity as at December 31, 2024 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 Qualified Opinion

In common with many charitable organizations, The Churchwardens of the Church of Trinity East in the Diocese of Toronto derives part of its revenues from the general public in the form of contributions, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of revenue from this source was limited to the amounts recorded in the records of Little Trinity. Therefore, we were not able to determine whether any adjustments might be necessary to contribution revenues and the deficiency of revenues over expenses for the years ended December 31, 2024 and 2023, current assets as at December 31, 2024 and 2023, and fund balances as at January 1 and December 31 for both the 2024 and 2023 years.

Our audit opinion on the financial statements for the year ended December 31, 2024 was modified accordingly because of the possible effects of this limitation in scope.

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 qualified 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 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.

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Auditors' 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:

- 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
February 10, 2025

THE CHURCHWARDENS OF THE CHURCH OF TRINITY EAST IN THE DIOCESE OF TORONTO ("LITTLE TRINITY")

STATEMENT OF FINANCIAL POSITION

As at December 31,

	Operating Fund	Capital Assets Fund	Restricted Fund	Endowment Fund	2024	2023
ASSETS						
Current						
Cash	\$ 15,611	\$ 263,099	\$ 497,739	\$ -	\$ 776,449	\$ 597,394
Short-term investments (Note 2)	405,000	-	-	-	405,000	455,000
Accounts receivable (Note 3)	54,338	-	-	-	54,338	57,146
Prepaid expenses	4,760	-	-	-	4,760	3,438
	<u>\$ 479,709</u>	<u>\$ 263,099</u>	<u>\$ 497,739</u>	<u>\$ -</u>	<u>\$ 1,240,547</u>	<u>\$ 1,112,978</u>
Investments (Note 4)	78,688	-	-	33,000	111,688	103,260
Capital Assets (Note 6)	-	1,539,939	-	-	1,539,939	1,805,290
	<u>\$ 558,397</u>	<u>\$ 1,803,038</u>	<u>\$ 497,739</u>	<u>\$ 33,000</u>	<u>\$ 2,892,174</u>	<u>\$ 3,021,528</u>
LIABILITIES						
Current						
Accounts payable and accrued liabilities	\$ 33,397	\$ -	\$ -	\$ -	\$ 33,397	\$ 36,468
Deferred revenue (Note 7)	400,000	-	-	-	400,000	450,000
	<u>\$ 433,397</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 433,397</u>	<u>\$ 486,468</u>
FUND BALANCES						
Operating	\$ 125,000	\$ -	\$ -	\$ -	\$ 125,000	\$ 125,000
Capital Assets	-	1,803,038	-	-	1,803,038	1,907,351
Externally restricted (Note 8)						
Memorial and Bequest	-	-	2,334	-	2,334	2,334
Specific Purpose	-	-	76,155	-	76,155	103,467
Internally restricted (Note 8)						
Restoration	-	-	153,591	-	153,591	270,844
Memorial and Bequest	-	-	265,659	-	265,659	93,064
Endowment	-	-	-	33,000	33,000	33,000
	<u>\$ 125,000</u>	<u>\$ 1,803,038</u>	<u>\$ 497,739</u>	<u>\$ 33,000</u>	<u>\$ 2,458,777</u>	<u>\$ 2,535,060</u>
	<u>\$ 558,397</u>	<u>\$ 1,803,038</u>	<u>\$ 497,739</u>	<u>\$ 33,000</u>	<u>\$ 2,892,174</u>	<u>\$ 3,021,528</u>
Commitments (Note 9)						

Approved by the Churchwardens:

_____ Rector's Churchwarden

_____ People's Churchwarden

See accompanying notes

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THE CHURCHWARDENS OF THE CHURCH OF TRINITY EAST IN THE DIOCESE OF TORONTO ("LITTLE TRINITY")

STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCES

For the year ended December 31,

	Operating Fund	Capital Assets Fund	Restricted Fund (Note 8)	Endowment Fund	2024	2023
REVENUES						
Contributions	\$1,258,699	\$ -	\$ -	\$ -	\$1,258,699	\$ 1,157,362
Rental and other	148,329	-	207,626	-	355,955	229,061
Unrealized gain	8,427	-	-	-	8,427	9,395
	<u>\$1,415,455</u>	<u>\$ -</u>	<u>\$ 207,626</u>	<u>\$ -</u>	<u>\$1,623,081</u>	<u>\$ 1,395,818</u>
EXPENSES						
Personnel	\$ 693,382	\$ -	\$ -	\$ -	\$ 693,382	\$ 649,729
Amortization	-	395,162	-	-	395,162	391,726
Office and property	202,310	-	-	-	202,310	211,887
Diocesan assessment (Note 5)	139,493	-	-	-	139,493	140,341
Serving our world	92,899	-	-	-	92,899	72,514
Growing together	56,443	-	-	-	56,443	58,906
Specific programs	-	-	50,538	-	50,538	80,507
Loving God	35,855	-	-	-	35,855	34,079
Professional fees	33,282	-	-	-	33,282	28,428
	<u>\$1,253,664</u>	<u>\$ 395,162</u>	<u>\$ 50,538</u>	<u>\$ -</u>	<u>\$1,699,364</u>	<u>\$ 1,668,117</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	\$ 161,791	\$ (395,162)	\$ 157,088	\$ -	\$ (76,283)	\$ (272,299)
FUND BALANCE						
- Beginning	125,000	1,907,351	469,710	33,000	2,535,061	2,807,360
Interfund transfers (Note 10)						
Transfers to capital assets fund	(161,791)	290,849	(129,058)	-	-	-
FUND BALANCE - Ending	<u>\$ 125,000</u>	<u>\$ 1,803,038</u>	<u>\$ 497,740</u>	<u>\$ 33,000</u>	<u>\$2,458,778</u>	<u>\$ 2,535,061</u>

See accompanying notes

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THE CHURCHWARDENS OF THE CHURCH OF TRINITY EAST IN THE DIOCESE OF TORONTO ("LITTLE TRINITY")

STATEMENT OF CASH FLOWS

For the year ended December 31,	2024	2023
CASH AND CASH EQUIVALENTS WERE PROVIDED BY (USED IN):		
OPERATING ACTIVITIES		
Deficiency of revenues over expenses	\$ (76,283)	\$ (272,299)
Items not affecting cash:		
Amortization	395,162	391,726
Unrealized gain on investments	(8,427)	(9,395)
	<u>\$ 310,452</u>	<u>\$ 110,032</u>
Net change in non-cash working capital balances		
Accounts receivable	2,808	(43,097)
Prepaid expenses	(1,322)	(168)
Accounts payable and accrued liabilities	(3,072)	8,090
Deferred revenue	(50,000)	281,123
	<u>\$ 258,866</u>	<u>\$ 355,980</u>
INVESTING ACTIVITIES		
Purchase of capital assets	\$ (129,811)	\$ (328,717)
Net redemption (purchase) of short-term investments	50,000	(289,000)
	<u>\$ (79,811)</u>	<u>\$ (617,717)</u>
INCREASE (DECREASE) IN CASH	\$ 179,055	\$ (261,737)
CASH - Beginning	<u>597,394</u>	<u>859,131</u>
CASH - Ending	<u>\$ 776,449</u>	<u>\$ 597,394</u>

THE CHURCHWARDENS OF THE CHURCH OF TRINITY EAST IN THE DIOCESE OF TORONTO ("LITTLE TRINITY")

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

NATURE OF OPERATIONS

The Churchwardens of the Church of Trinity East in the Dioceses of Toronto ("Little Trinity") is a corporation under The Church Temporalities Act of 1841, and is a not-for-profit organization and a registered charity under the Income Tax Act. Its purpose since 1842 has been to share the love, power and truth of Jesus Christ.

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

Little Trinity's accounts follow the principles of fund accounting, under which resources for particular purposes are classified for accounting and reporting into funds corresponding to those purposes. These financial statements present the following funds and fund classifications:

Operating Fund

The Operating fund accounts for Little Trinity's program delivery and administrative activities. Operating fund expenses are recorded by ministry, salaries and benefits (which are recorded in the personnel category), and professional fees. The ministry categories of Little Trinity are:

- i) **Office and Property** - The support of the Vestry members regarding the operational costs of the church office and our buildings.
- ii) **Diocesan Assessment** - Amount calculated by the Anglican Diocese of Toronto based on the nature of Little Trinity's revenues and expenses. This amount is used to help pay the Diocese's operating expenses.
- iii) **Serving our World** - Ministry designed to help connect the church to the immediate community located close to Little Trinity as well as to provide support to mission partners through their appropriate Mission Agencies.
- iv) **Growing Together** - Ministry designed to build up the Parishioners in the Christian Faith.
- v) **Loving God** - Ministry supporting the Sunday and other liturgical services provided regularly throughout the year.

Capital Assets Fund

The Capital Assets fund balance reflects the property, equipment and capital costs related to the Little Trinity campus. In addition, excess funds from the operating fund have been transferred to the capital assets fund to help fund current and future capital expenditures.

THE CHURCHWARDENS OF THE CHURCH OF TRINITY EAST IN THE DIOCESE OF TORONTO ("LITTLE TRINITY")

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

1. SIGNIFICANT ACCOUNTING POLICIES - Continued

a) Fund Accounting - Continued

Restricted Funds

Amounts given for specific purposes are held in individual funds until expended for the purpose for which they were collected. The specific purpose restriction is documented in the fund title. Transfers from these specific purpose funds reflect capital expenditures or operating fund expenditures which satisfy these restrictions.

The internally restricted Restoration Fund was created by the Churchwardens to ensure appropriate funds were allocated to the restoration of property and replacement of equipment.

The Memorial and Bequest funds have been received in memory of individuals from the congregation. The funds listed as internally restricted are available for distribution and can be spent as directed by the Board. The externally restricted funds have been designated as follows:

- i) Brendan McNaughton fund, to be used for the youth room in 399 to 403 King Street East.
- ii) Cathy King fund, to be used for the children's ministry or for additional pastoral needs.

Endowment Fund

The Endowment fund relates to a donation provided to Little Trinity to be held in perpetuity. Investment revenues earned on this balance is recognized in the Operating fund.

b) Interfund Transfers

Transfers between funds are authorized when resources of one fund are to be used to finance activities and acquisitions in another fund. Transfers are authorized by the Churchwardens and are consistent with the obligations of the fund from which the resources are transferred.

c) Revenue Recognition

Little Trinity follows the restricted fund method of accounting for contributions. Unrestricted contributions are recognized as revenue of the Operating fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

All contributions received for specific programs and memorial and bequests are recognized as revenue of the appropriate restricted fund.

Rental and other revenue are recognized as earned.

THE CHURCHWARDENS OF THE CHURCH OF TRINITY EAST IN THE DIOCESE OF TORONTO ("LITTLE TRINITY")

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

1. SIGNIFICANT ACCOUNTING POLICIES - Continued

d) Cash and Cash Equivalents

Cash and cash equivalents consists of cash held in Little Trinity's bank account.

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 method:

	<u>Rate</u>	<u>Method</u>
Major building improvements	10 years	straight-line
Furniture and fixtures	5 years	straight-line
Audio equipment	5 years	straight-line
Computer equipment	3 years	straight-line

Capital assets in progress are not subject to amortization until completion. 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 carrying amount, the net carrying amount of the tangible capital asset is written down to the asset's fair value or replacement cost.

f) Contributed Goods and Services

Contributed goods are recorded at fair value at the date of contribution. Volunteers contribute many hours at Little Trinity in carrying out its service delivery activities. Due to the difficulty determining the fair value of this activity, the value of contributed services is not recognized in these financial statements.

g) 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 include the estimated useful life of capital assets.

THE CHURCHWARDENS OF THE CHURCH OF TRINITY EAST IN THE DIOCESE OF TORONTO ("LITTLE TRINITY")

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

1. SIGNIFICANT ACCOUNTING POLICIES - Continued

h) Financial Instruments

Measurement of Financial Instruments

Little Trinity initially measures its financial assets and liabilities originated or exchanged in arm's length transactions at fair value. Little Trinity subsequently measures all its financial assets and financial liabilities at amortized cost with the exception of investments held in the consolidated trust fund of the Diocese of Toronto which are measured at fair value. Changes in fair value are recognized in the excess (deficiency) of revenues over expenses in the period incurred.

Financial assets subsequently measured at amortized cost include cash, investments held in GIC's, and accounts receivable. Financial liabilities subsequently measured at amortized cost include accounts payable and accrued liabilities.

Other than investments held in the consolidated trust fund of the Diocese of Toronto, Little Trinity 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 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.

THE CHURCHWARDENS OF THE CHURCH OF TRINITY EAST IN THE DIOCESE OF TORONTO ("LITTLE TRINITY")

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

2. SHORT-TERM INVESTMENTS

Short-term investments consist of the following:

	2024	2023
RBC Cashable GIC, bearing interest at 3.20%, maturing December 12, 2025	\$ 350,000	\$ -
RBC Income Builder GIC, bearing interest at 4.90%, maturing January 12, 2025	50,000	-
RBC Cashable GIC, bearing interest at 2.25%, maturing August 4, 2025	5,000	-
RBC Cashable GIC, bearing interest at 4.95%, matured December 12, 2024	-	400,000
RBC Cashable GIC, bearing interest at 2.75%, matured February 22, 2024	-	50,000
RBC Cashable GIC, bearing interest at 2.25%, matured August 4, 2024	-	5,000
	<u>\$ 405,000</u>	<u>\$ 455,000</u>

3. ACCOUNTS RECEIVABLE

Accounts receivable consist of the following:

	2024	2023
Contributions receivable	\$ 32,922	\$ 17,854
HST recoverable	20,699	37,040
Interest receivable	717	2,252
	<u>\$ 54,338</u>	<u>\$ 57,146</u>

Contributions receivable are cash donations that were provided by donors to Little Trinity before year end but not deposited into the Church's bank account until after year end.

THE CHURCHWARDENS OF THE CHURCH OF TRINITY EAST IN THE DIOCESE OF TORONTO ("LITTLE TRINITY")

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

4. INVESTMENTS

Investments are measured at fair value and consist of the following:

	2024	2023
Operating Fund		
Consolidated Trust Fund of the Diocese of Toronto	\$ 78,688	\$ 70,260
Endowment Fund		
Consolidated Trust Fund of the Diocese of Toronto	<u>33,000</u>	<u>33,000</u>
	<u>\$ 111,688</u>	<u>\$ 103,260</u>

The investments are held in the Consolidated Trust Fund of the Diocese of Toronto, which invests in pooled funds, bonds and equities.

5. RELATED PARTY TRANSACTIONS

The Diocese of Toronto is a related party of Little Trinity as the Diocese of Toronto has influence over the operations of Little Trinity given it is the overarching governing body for the Anglican Diocese in Toronto. Little Trinity pays an annual Diocesan assessment from the Operating Fund. This fee covers Little Trinity's share of Diocese support services.

6. CAPITAL ASSETS

Capital assets consist of the following:

	2024			2023
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Major building improvements	\$ 6,939,785	\$ 5,443,662	\$ 1,496,123	\$ 1,745,405
Furniture and fixtures	272,579	265,043	7,536	10,201
Audio equipment	59,630	23,852	35,778	47,704
Computer equipment	46,718	46,216	502	1,980
Capital assets in progress	-	-	-	-
	<u>\$ 7,318,712</u>	<u>\$ 5,778,773</u>	<u>\$ 1,539,939</u>	<u>\$ 1,805,290</u>

THE CHURCHWARDENS OF THE CHURCH OF TRINITY EAST IN THE DIOCESE OF TORONTO ("LITTLE TRINITY")

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

7. DEFERRED REVENUE

Deferred revenue consists of:

	2024	2023
Balance - Beginning	\$ 450,000	\$ 168,877
Less: Amount recognized as revenue in the year	(50,000)	(63,493)
Add: Amount received related to the subsequent years	-	344,616
Balance - Ending	<u>\$ 400,000</u>	<u>\$ 450,000</u>

8. RESTRICTED FUNDS

	<u>BALANCE Beginning</u>	<u>Revenues</u>	<u>Expenses</u>	<u>Interfund Transfers</u> (Note 10)	<u>BALANCE Ending</u>
Specific Purpose Funds					
Externally restricted					
Rector's discretionary	\$ 59,677	\$ 19,895	\$ (18,681)	\$ -	\$ 60,891
Refugee Fund	699	2,031	(100)	-	2,630
Youth Missions	3,410	-	(3,410)	-	-
Sunday school	1,289	-	-	-	1,289
Library	600	-	-	-	600
Faithworks	1,160	1,200	(2,360)	-	-
Kuipers	29,042	-	(23,027)	-	6,015
Other	7,590	100	(2,960)	-	4,730
	<u>\$ 103,467</u>	<u>\$ 23,226</u>	<u>\$ (50,538)</u>	<u>\$ -</u>	<u>\$ 76,155</u>
Restoration					
Internally restricted	<u>\$ 270,844</u>	<u>\$ 11,805</u>	<u>\$ -</u>	<u>\$ (129,058)</u>	<u>\$ 153,591</u>
Memorial and Bequest Funds					
Externally restricted					
Cathy King	\$ 2,046	\$ -	\$ -	\$ -	\$ 2,046
Brendan McNaughton	288	-	-	-	288
	<u>\$ 2,334</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,334</u>
Internally restricted					
Legacy fund	<u>\$ 93,064</u>	<u>\$ 172,595</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 265,659</u>
	<u>\$ 469,709</u>	<u>\$ 207,626</u>	<u>\$ (50,538)</u>	<u>\$ (129,058)</u>	<u>\$ 497,739</u>
Prior year	<u>\$ 754,788</u>	<u>\$ 116,026</u>	<u>\$ (84,951)</u>	<u>\$ (316,154)</u>	<u>\$ 469,709</u>

THE CHURCHWARDENS OF THE CHURCH OF TRINITY EAST IN THE DIOCESE OF TORONTO ("LITTLE TRINITY")

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

9. COMMITMENTS

Little Trinity entered into a lease commitment for a photocopier rental which expires January 31, 2025. The agreement was renewed extending the expiry date to July 31, 2030. Future annual rental payments for the next six years are as follows:

2025	\$ 3,089
2026	2,988
2027	2,988
2028	2,988
2029	2,988
2030	1,743
	<u>\$ 16,784</u>

10. INTER-FUND TRANSFERS

Inter-fund transfers consist of the following :

The Operating fund transferred the current year's surplus of \$161,791 (2023 - \$88,352) to the Capital Asset Fund, to provide for current and future capital asset purchases.

The Restricted fund transferred \$129,058 (2023 - \$316,154) to the Capital Asset fund, relating to the purchase of capital assets.

11. FINANCIAL INSTRUMENTS

Risks and Concentrations

Little Trinity is exposed to various risks through its financial instruments. The following analysis provides a summary of Little Trinity's exposure to and concentrations of risk at December 31, 2024:

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. Little Trinity's main credit risks relate to its accounts receivable. A portion of Little Trinity's receivables relate to contributions received before year end but deposited after year end. Little Trinity is not exposed to significant credit risk and there has been no change in the assessment of credit risk from the prior year.

THE CHURCHWARDENS OF THE CHURCH OF TRINITY EAST IN THE DIOCESE OF TORONTO ("LITTLE TRINITY")

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

11. FINANCIAL INSTRUMENTS - Continued

b) Liquidity Risk

Liquidity risk is the risk that Little Trinity will encounter difficulty in meeting obligations associated with financial liabilities. Little Trinity is exposed to this risk mainly with respect to its accounts payable and accrued liabilities. Little Trinity manages this risk by managing its working capital, and by generating sufficient cash flow from operations. 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. Little Trinity is mainly exposed to interest rate risk and price 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. As described in Note 2, Little Trinity is exposed to interest rate risk with respect to its short-term investments. Little Trinity does not currently hold any financial instruments to mitigate this risk. The exposure to this risk fluctuates as the investments and related interest rates change from year to year.

ii) Price Risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual instrument or its issuer, or factors affecting all similar financial instruments traded in the market. Little Trinity is exposed to price risk through its investments held by the Consolidated Trust Fund of the Diocese of Toronto. The exposure to this risk fluctuates as Little Trinity's investments change from year to year.