

**ST. MATTHEW'S ANGLICAN CHURCH, ISLINGTON**

**Financial Statements**

(Unaudited)

December 31, 2025

## ST. MATTHEW'S ANGLICAN CHURCH, ISLINGTON

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## INDEPENDENT PRACTITIONERS' REVIEW ENGAGEMENT REPORT

To the Members of St. Matthew's Anglican Church, Islington

We have reviewed the accompanying financial statements of St. Matthew's Anglican Church, Islington (the "Church") that comprise the statement of financial position as at December 31, 2025, and the statements of operations, changes in net assets and cash flows for each of the following funds – Operating Fund, Legacy Funds and Restricted Funds - for the year then ended, and a summary of significant accounting policies and other explanatory information.

### *Churchwardens' Responsibility for the Financial statements*

The Churchwardens are 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 the Churchwardens determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Practitioners' Responsibility*

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

### *Basis for Qualified Conclusion*

In common with many not-for-profit organizations, the Church derives revenue from donations from individuals and fundraising events, the completeness of which is not susceptible to us obtaining evidence we considered necessary for the purpose of the review. Accordingly, the evidence obtained of these revenues was limited to the amounts recorded in the records of the Church. Therefore, we were unable to determine whether any adjustments might be necessary to these revenues, excess of expenses over revenues and cash flows from operating activities for the years ended December 31, 2025 and 2024, current assets as at December 31, 2025 and 2024 and net assets as at January 1, 2024, December 31, 2024 and December 31, 2025.

### *Qualified Conclusion*

Based on our review, except for the possible effects of the matter described in the Basis for Qualified Conclusion paragraph, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of St. Matthew's Anglican Church, Islington as at December 31, 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.

*Tummon Wallington Chong* LLP

Toronto, Ontario  
February 18, 2026

Chartered Professional Accountants  
Licensed Public Accountants

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### **WEST TORONTO**

205 Norseman St.  
Toronto, ON M8Z 2R5  
Phone: 416-291-2561  
Fax: 416-291-2754

### **EAST TORONTO**

820 Denison St., Unit 1  
Markham, ON L3R 3K5  
Phone: 905-475-1116  
Fax: 905-475-2290

# ST. MATTHEW'S ANGLICAN CHURCH, ISLINGTON

## Statement of Financial Position (Unaudited)

AS AT DECEMBER 31, 2025

### ASSETS

	Operating <u>Fund</u>	Legacy <u>Funds</u>	Restricted <u>Funds</u>	Total <u>2025</u>	Total <u>2024</u>
<b>CURRENT</b>					
Cash and deposits (note 3)	\$ 24,110	\$ -	\$ 73,500	\$ 97,610	\$ 131,818
HST rebate	21,892	-	-	21,892	3,749
Investments (note 4)	-	291,667	-	291,667	404,243
	46,002	291,667	73,500	411,169	539,810
<b>LONG TERM</b>					
Deferred charges (note 10)	139,945	-	-	139,945	-
<b>TOTAL ASSETS</b>	\$ 185,947	\$ 291,667	\$ 73,500	\$ 551,114	\$ 539,810

### LIABILITIES AND NET ASSETS

<b>CURRENT</b>					
Accounts payable and accrued liabilities	\$ 11,986	\$ -	\$ -	\$ 11,986	\$ 16,767
<b>LONG TERM</b>					
Tenant's deposits	18,417	-	-	18,417	-
Interfund loan (note 11)	150,000	(150,000)	-	-	-
Interfund balances	80,205	(80,205)	-	-	-
	248,622	(230,205)	-	18,417	-
<b>TOTAL LIABILITIES</b>	260,608	(230,205)	-	30,403	16,767
<b>NET ASSETS</b>	(74,661)	521,872	73,500	520,711	523,043
	\$ 185,947	\$ 291,667	\$ 73,500	\$ 551,114	\$ 539,810

APPROVED:

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(See accompanying notes)

# ST. MATTHEW'S ANGLICAN CHURCH, ISLINGTON

## Statement of Changes in Net Assets (Unaudited)

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FOR THE YEAR ENDED DECEMBER 31, 2025

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	Operating <u>Fund</u>	Legacy <u>Funds</u>	Restricted <u>Funds</u>	Total <u>2025</u>	Total <u>2024</u>
Net assets, beginning of year	\$ (65,504)	\$ 515,903	\$ 72,644	\$ 523,043	\$ 535,575
Net operations for the year	<u>(9,157)</u>	<u>5,969</u>	<u>856</u>	<u>(2,332)</u>	<u>(12,532)</u>
Net assets, end of year	<u>\$ (74,661)</u>	<u>\$ 521,872</u>	<u>\$ 73,500</u>	<u>\$ 520,711</u>	<u>\$ 523,043</u>

(See accompanying notes)

# ST. MATTHEW'S ANGLICAN CHURCH, ISLINGTON

## Statement of Operations (Unaudited)

FOR THE YEAR ENDED DECEMBER 31, 2025

	Operating Fund	Legacy Funds	Restricted Funds	Total 2025	Total 2024
<b>Revenue</b>					
<b>Congregation</b>					
Envelopes	\$ 200,436	\$ -	\$ 53,375	\$ 253,811	\$ 269,883
Festival and Special Events	14,720	-	-	14,720	17,610
Bequests and memorials	450	-	-	450	2,015
Open and non-receipted	2,022	-	-	2,022	2,518
	<u>217,628</u>	<u>-</u>	<u>53,375</u>	<u>271,003</u>	<u>292,026</u>
<b>Other</b>					
Fundraising	4,178	-	-	4,178	14,388
Use of facilities	114,119	-	-	114,119	99,033
Investment income	-	16,779	-	16,779	15,491
Investment gains	-	37,424	-	37,424	30,502
Miscellaneous	7,360	-	-	7,360	666
	<u>125,657</u>	<u>54,203</u>	<u>-</u>	<u>179,860</u>	<u>160,080</u>
<b>Total Revenue</b>	<u>343,285</u>	<u>54,203</u>	<u>53,375</u>	<u>450,863</u>	<u>452,106</u>
<b>Expenses</b>					
Salaries and wages	163,927	12,338	-	176,265	181,942
<b>Church Building Costs</b>					
Utilities	32,364	-	-	32,364	42,394
Janitorial, services and supplies	16,608	-	-	16,608	15,827
Repairs and maintenance	23,518	12,627	32,227	68,372	83,504
Insurance	15,128	-	-	15,128	12,939
	<u>87,618</u>	<u>12,627</u>	<u>32,227</u>	<u>132,472</u>	<u>154,664</u>
<b>Rectory Costs</b>					
Utilities	6,514	-	-	6,514	5,497
Property taxes	6,711	-	-	6,711	6,366
Repairs and maintenance	356	-	-	356	1,587
	<u>13,581</u>	<u>-</u>	<u>-</u>	<u>13,581</u>	<u>13,450</u>
<b>Parish Programs</b>	<u>13,978</u>	<u>-</u>	<u>20,292</u>	<u>34,270</u>	<u>40,209</u>
<b>Office and Administration</b>					
Postage, office supplies and computer	9,136	-	-	9,136	9,021
Telephone, internet and website	2,533	-	-	2,533	2,281
Miscellaneous	580	23,269	-	23,849	15,234
Bank charges	3,703	-	-	3,703	1,463
	<u>15,952</u>	<u>23,269</u>	<u>-</u>	<u>39,221</u>	<u>27,999</u>
<b>Other Expenses</b>					
Professional fees	3,742	-	-	3,742	4,564
Leasing commissions	3,181	-	-	3,181	-
Diocesan Allotment	50,463	-	-	50,463	41,810
	<u>57,386</u>	<u>-</u>	<u>-</u>	<u>57,386</u>	<u>46,374</u>
<b>Total Expenses</b>	<u>352,442</u>	<u>48,234</u>	<u>52,519</u>	<u>453,195</u>	<u>464,638</u>
<b>Net Operations for the year</b>	<u>\$ (9,157)</u>	<u>\$ 5,969</u>	<u>\$ 856</u>	<u>\$ (2,332)</u>	<u>\$ (12,532)</u>

(See accompanying notes)

# ST. MATTHEW'S ANGLICAN CHURCH, ISLINGTON

## Statement of Cash Flows (Unaudited)

FOR THE YEAR ENDED DECEMBER 31, 2025

	<u>Operating Fund</u>	<u>Legacy Funds</u>	<u>Restricted Funds</u>	<u>Total 2025</u>	<u>Total 2024</u>
<b>Operating activities</b>					
Net operations for the year					
Operations	\$ (9,157)	\$ (10,810)	\$ 856	\$ (19,111)	\$ (28,023)
Investment income	-	16,779	-	16,779	15,491
	(9,157)	5,969	856	(2,332)	(12,532)
Items not requiring a current cash flow:					
Unrealized gains (losses)	-	(37,424)	-	(37,424)	(30,502)
Change in non-cash working capital components	(4,507)	-	-	(4,507)	17,814
	(13,664)	(31,455)	856	(44,263)	(25,220)
<b>Investing activities</b>					
Sale of Diocese investments	-	150,000	-	150,000	-
Paid deferred leasing commission	(139,945)	-	-	(139,945)	-
	(139,945)	150,000	-	10,055	-
<b>Financing activities</b>					
Interfund loan	150,000	(150,000)	-	-	-
Interfund balances	(31,455)	31,455	-	-	-
	118,545	(118,545)	-	-	-
<b>Net change in cash</b>	(35,064)	-	856	(34,208)	(25,220)
<b>Cash - beginning of year</b>	59,174	-	72,644	131,818	157,038
<b>Cash, end of year</b>	\$ 24,110	\$ -	\$ 73,500	\$ 97,610	\$ 131,818
<b>Consisting of:</b>					
Cash in bank	\$ 24,110	\$ -	\$ 73,500	\$ 97,610	\$ 131,818

(See accompanying notes)

# ST. MATTHEW'S ANGLICAN CHURCH, ISLINGTON

## Notes To Financial Statements (Unaudited)

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FOR THE YEAR ENDED DECEMBER 31, 2025

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### **1. ORGANIZATION**

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St. Matthew's Anglican Church (the "Church") is a member of the *Anglican Church* and is a parish of *The Incorporated Synod of the Diocese of Toronto* (the "Diocese"). The Churchwardens, in essence the administrative officers for the Parish, represent the Church and its members, and in these financial statements are referred to collectively as the "Corporation".

The mission of the Church is to *Share Jesus' Love* and to strive to share that message in worship, children and youth programs, music and community activities.

The Church is registered as a charitable organization and is exempt from income tax.

### **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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#### **Basis of accounting**

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. Canadian accounting standards for not-for-profit organizations are part of Canadian generally accepted accounting principles.

Canadian accounting standards for not-for-profit organizations require entities to select policies appropriate to their circumstances from policies provided in these standards. The following policies have been selected by the Corporation and applied in these financial statements.

#### **Financial statements**

The financial statements include the accounts of the Church and all related parish organizations.

#### **a) Fund accounting**

The Church follows the restricted fund method of accounting for contributions, whereby assets, liabilities, revenue and expenses are segregated into specific funds depending on their purpose. Inter-fund transfers from Unrestricted Funds and Externally Restricted Funds are not discretionary. The full amount of income available is transferred to the Operating Fund, provided that all restrictions imposed on the use of a particular fund are met.

#### **Unrestricted funds**

Donations from the congregation and others as well as revenue and expenses for service delivery activities and administration are recorded in the Operating Fund.

Legacies that are received without restriction as to their use are recorded in the Legacy Fund. The Fund is managed over a longer term and is utilized for projects or ministries that cannot be funded from normal operating resources. At the discretion of the Corporation, legacy funds can be used for any purpose.

# ST. MATTHEW'S ANGLICAN CHURCH, ISLINGTON

## Notes To Financial Statements (Unaudited)

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FOR THE YEAR ENDED DECEMBER 31, 2025

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

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#### **Externally restricted funds**

##### ***Other externally restricted funds***

These funds consist of contributions received by way of bequests, gifts or special donations that are received with restrictions for their use.

#### **b) Revenue recognition**

Cash donations are recorded in the period received. Members of the congregation volunteer their time to assist in the church's activities. Because of the difficulty in determining their fair value, donated services are not recognized in these financial statements.

#### **c) Investments**

Investments are recorded at fair value. Unrealized gains and losses arising from the change in value of investments are recorded in the Statement of Operations.

Investments are primarily held in externally managed pooled funds and investment income is allocated to each fund on the basis of the average fund asset value proportionate to the total value of funds throughout the period.

Investments that can be realized within one year are classified in the Statement of Financial Position as current assets. All other investments are considered long-term in nature.

#### **d) Use of estimates**

The Corporation reviews the carrying amounts of items in the financial statements at each statement of financial position date to assess the need for revision of any possibility of impairment. Certain items in the preparation of these financial statements require the Corporation's best estimate. The Corporation determines these estimates based on assumptions that reflect the most probable set of economic conditions and planned courses of action. These estimates are reviewed periodically, and adjustments are made to assets, liabilities and excess (deficiency) of revenues over expenses as appropriate in the year they become known.

#### **e) Cash and cash equivalents**

Cash and cash equivalents include cash on hand and deposits with the Canadian Imperial Bank of Commerce ("CIBC").

# ST. MATTHEW'S ANGLICAN CHURCH, ISLINGTON

## Notes To Financial Statements (Unaudited)

FOR THE YEAR ENDED DECEMBER 31, 2025

### 2. SIGNIFICANT ACCOUNTING POLICIES – continued

#### f) Financial instruments

The Church initially measures its financial assets at fair value, except for certain non-arm's length transactions. Transaction costs related to financial assets are recognized in the Statements Operations in the year in which they are incurred. The Church subsequently measures its financial assets and liabilities at amortized cost unless the Corporation has elected to carry the instruments at fair value. The Church has elected to carry its investments at fair value. Changes in fair value are recognized in the Statement of Operations. Financial assets measured at amortized cost include HST/GST receivable. Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

#### g) Capital assets

Since the annual gross revenue for the current and preceding year is less than \$500,000, the Church is exempt under Canadian accounting standards for not-for-profit organizations from the requirement to capitalize and amortize capital assets over their estimated future lives.

### 3. CASH AND CASH EQUIVALENTS

	<u>2025</u>	<u>2024</u>
<b>Operating Fund</b>		
Bank deposit	\$ <u>24,110</u>	\$ <u>59,174</u>
<b>Legacy Funds</b>		
Bank deposit	-	-
<b>Restricted Funds</b>		
Bank deposit	<u>73,500</u>	<u>72,644</u>
<b>Total cash and equivalents</b>	<u>\$ 97,610</u>	<u>\$ 131,818</u>

### 4. INVESTMENTS - MUSSON FUND

Number of Shares	Security	2025 Market	2024 Market
881 (2024 - 1,339)	The Incorporated Synod of the Diocese of Toronto	\$ 291,667	\$ 404,243

# ST. MATTHEW'S ANGLICAN CHURCH, ISLINGTON

## Notes To Financial Statements (Unaudited)

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FOR THE YEAR ENDED DECEMBER 31, 2025

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### 5. LEGACY FUNDS

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Legacy funds consist of the following:

	<u>Opening Balance</u>	<u>Donation Receipts</u>	<u>Investment Dividends</u>	<u>Unrealized Gain/(Loss)</u>	<u>Disbursements</u>	<u>Closing Balance</u>
Musson Fund	\$ 533,310	\$ -	\$ 1,875	\$ 37,424	\$ (2,383)	\$ 570,225
Musson Ministry	(139,587)	-	-	-	(12,338)	(151,925)
Musson Cash	166,316	-	14,904	-	(20,262)	160,958
Musson Gardens	(120,245)	-	-	-	(11,283)	(131,528)
Other Legacy Funds	1,659	-	-	-	(624)	1,035
Barbara Franklin Funeral Bequest	1,898	-	-	-	-	1,898
Covid Booked 2020	4,278	-	-	-	-	4,278
Don Lloyd Memorial Fund	22,546	-	-	-	(1,344)	21,203
Charlie Oxman Memorial Fund	3,174	-	-	-	-	3,174
Anna Stuart	7,554	-	-	-	-	7,554
Sylvia & Jack Ingram Fund	10,000	-	-	-	-	10,000
Irja Cook	<u>25,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>25,000</u>
	<u>\$ 515,903</u>	<u>\$ -</u>	<u>\$ 16,779</u>	<u>\$ 37,424</u>	<u>\$ (48,234)</u>	<u>\$ 521,872</u>

# ST. MATTHEW'S ANGLICAN CHURCH, ISLINGTON

## Notes To Financial Statements (Unaudited)

FOR THE YEAR ENDED DECEMBER 31, 2025

### 6. RESTRICTED FUNDS

Restricted funds consist of the following:

	<u>Opening Balance</u>	<u>Donation Receipts</u>	<u>Grant Income</u>	<u>Transfer from Operating</u>	<u>Disbursements</u>	<u>Closing Balance</u>
M and M	\$ -	\$ 28,774	\$ -	\$ -	\$ (28,774)	\$ -
Building capital	1,795	830	-	-	(2,625)	-
Organ/music	4,428	2,670	-	-	(4,770)	2,328
Maintenance – Living						
Waters	80	-	-	-	(80)	-
Adult education/Alpha	244	-	-	-	-	244
Youth	-	225	-	-	(225)	-
AV Tech	17,217	-	-	-	-	17,217
Sign	3,748	-	-	-	(748)	3,000
Honours Gift	460	-	-	-	-	460
Baseball Program	2,955	-	-	-	-	2,955
Discretionary Funds – Rector's	608	-	-	-	-	608
Youth Ministry – Dev. Grant	257	-	-	-	(257)	-
Reach Grant	91	-	-	-	-	91
Youth Grant YMAP	713	8,300	-	-	(1,718)	7,295
Summer students	-	6,747	-	-	(4,872)	1,875
Food Cupboard	1,416	125	-	-	(91)	1,450
Cadence	2,543	-	-	-	-	2,543
Greening	6,671	-	-	-	-	6,671
Outreach – regular	6,070	1,812	-	-	(3,389)	4,493
Outreach – PWDRF	-	122	-	-	(122)	-
Outreach – Faithworks	-	760	-	-	(646)	114
Prayer books	2,515	-	-	-	-	2,515
Student bursary	3,919	-	-	-	-	3,919
New Ministry Grant	16,914	3,010	-	-	(4,202)	15,722
	<u>\$ 72,644</u>	<u>\$ 53,375</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (52,519)</u>	<u>\$ 73,500</u>

# ST. MATTHEW'S ANGLICAN CHURCH, ISLINGTON

## Notes To Financial Statements (Unaudited)

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FOR THE YEAR ENDED DECEMBER 31, 2025

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### 7. FINANCIAL INSTRUMENTS - RISK MANAGEMENT

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The Church is exposed to various risks through its financial instruments. The following analysis provides a measure of the Church's risk exposure and concentrations at December 31, 2025.

#### **Credit risk**

The Church is subject to credit risk related to accounts and other amounts receivable. Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. In the opinion of the Corporation, credit risk exposure is not significant.

#### **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 in respect to its accounts payable. The Church maintains sufficient cash resources to maintain liquidity. In the opinion of the Corporation, liquidity risk exposure to the Church is not significant.

#### **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 other price risk. The assets subject to market risk are \$291,667 (2024 - \$404,243).

#### *Currency risk*

Currency risk arises when the fair value of financial instruments that are denominated in a currency other than the Canadian dollar, which is the Church's reporting currency, fluctuates due to changes in exchange rates. The Church is subject to currency risk to the extent that any investments held in The Consolidated Trust Fund of the Diocese are denominated in a foreign currency. No assets were subject to currency risk in 2025 or 2024.

#### *Interest rate risk*

Interest rate risk is the risk that the fair value of interest-bearing financial instruments fluctuates due to changes in the prevailing levels of market interest rates. Cash and short-term investments do not expose the Church to significant amounts of interest rate risk. The Church is subject to interest rate risk to the extent that investments are made in fixed income instruments. No assets were subject to interest rate risk in 2025 or 2024.

#### *Other price risk*

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market values (other than those arising from interest rate risk and currency risk), whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or market segment. All investments present risk of capital loss. This risk is managed by careful selection of investments. The Church is subject to other price risk to the extent that its proportionate share of investments held by The Consolidated Trust Fund of the Diocese might be affected by any of the factors referred to above.

# ST. MATTHEW'S ANGLICAN CHURCH, ISLINGTON

## Notes To Financial Statements (Unaudited)

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FOR THE YEAR ENDED DECEMBER 31, 2025

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### **8. LEASE COMMITMENT**

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The Church leases a photocopier under an operating lease that expires in December 2029. Minimum annual payments are \$5,016.

### **9. CAPITAL ASSETS**

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As explained in Note 2, tangible capital assets are not capitalized and amortized. Major categories of tangible capital assets which have not been recorded include church and rectory furnishings and equipment, electronic organ and speakers, computer hardware and software, projection equipment and screen, and major renovations, additions and improvements to the Church and Rectory buildings and grounds that have occurred since the Church was founded.

The cost of the land and structures pertaining to the Church and Rectory are not recorded because they are owned by the Diocese. All risks insurance coverage for the year 2025 is as follows:

Church buildings and contents	\$ 5,872,320
Rectory buildings and contents	\$ 573,506

The basis of loss settlement is replacement cost. No tangible assets were acquired in 2025 or 2024.

### **10. LEASE AGREEMENT WITH NEWTON GROVE SCHOOL**

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The Church ("Landlord") has entered into a fifteen (15) year lease agreement with Newton Grove School Inc. ("Tenant") from September 1, 2025 until August 31, 2040 for a school daycare Montessori school.

Under the terms of the lease, the Tenant is required to pay a deposit in the amounts of the first and last months' rent.

The annual gross rent receivable is as follows:

September 1, 2025 to August 31, 2027	\$ 113,333
September 1, 2027 to August 31, 2029	\$ 153,000
September 1, 2029 to August 31, 2031	\$ 170,000
September 1, 2031 to August 31, 2034	\$ 187,000
September 1, 2034 to August 31, 2037	\$ 204,000
September 1, 2037 to August 31, 2040	\$ 221,000

During the year, leasing commissions were paid to Leonard Commercial Realty in the amount of \$143,125 for arranging a long-term rental lease with Newton Grove School. These commissions are being amortized over the 15 year term of the lease on a straight line basis.

# ST. MATTHEW'S ANGLICAN CHURCH, ISLINGTON

## Notes To Financial Statements (Unaudited)

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FOR THE YEAR ENDED DECEMBER 31, 2025

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### **11. INTERFUND LOAN**

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In order to finance the payment of the leasing commission disclosed in note 10, the operating fund borrowed \$150,000 from the legacy funds. Interest is being paid by the operating fund to the legacy funds at the rate of 5% per annum. The loan does not bear set terms of repayment.