United Christian Broadcasters Media Canada
Financial Statements
December 31, 2024

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For the year ended December 31, 2024

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Independent Auditor's Report

To the Members of United Christian Broadcasters Media Canada:

Qualified Opinion

We have audited the financial statements of United Christian Broadcasters Media Canada (the "Organization"), which comprise the statement of financial position as at December 31, 2024, and the statements of operations, 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, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization 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 Organization derives revenue from donations and fundraising, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Organization and we were not able to determine whether any adjustments might be necessary to donation and fundraising revenues, excess of revenue over expenditures, assets and changes in net assets.

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 Organization in accordance with the 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 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 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 Organization'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 Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization'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:

- 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 Organization'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 Organization'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 Organization 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.

MNP LLP

Kingston, Ontario

Chartered Professional Accountants

June 6, 2025

Licensed Public Accountants

United Christian Broadcasters Media Canada
Statement of Financial Position
As at December 31, 2024

	2024	2023
Assets		
Current		
Cash and bank *(Note 2)*	**28,598**	205,836
Accounts receivable and other amounts receivable *(Note 3)*	**251,486**	228,837
Prepaid expenses	**75,128**	48,363
	355,212	483,036
Capital assets *(Note 4)*	**1,766,915**	1,731,601
	2,122,127	2,214,637
Liabilities		
Current		
Bank indebtedness *(Note 5)*	**175,126**	80,000
Accounts payable and accruals	**226,441**	124,370
Current portion of deferred revenue *(Note 6)*	**33,923**	24,781
Current portion of long-term debt *(Note 7)*	**655,540**	38,666
	1,091,030	267,817
Long-term debt *(Note 7)*	**300,000**	878,872
Deferred contributions *(Note 6)*	**359,495**	419,163
	659,495	1,298,035
	1,750,525	1,565,852
Net Assets		
General	**(1,395,313)**	(1,082,816)
Invested in Capital Assets	**1,766,915**	1,731,601
	371,602	648,785
	2,122,127	2,214,637

Approved on behalf of the Board

Director **Director**

The accompanying notes are an integral part of these financial statements

United Christian Broadcasters Media Canada
Statement of Operations
For the year ended December 31, 2024

	2024	*2023*
Revenue		
Grant revenue	**22,165**	-
Advertising revenue	**596,956**	543,493
Program revenue	**13,533**	19,965
Other income	**37,997**	42,747
Donations - WFYT	**59,577**	98,738
Donations - Fundraising	**983,804**	829,253
Donations - Other	**1,411,812**	1,550,891
Subscriptions - WFYT	**22,913**	19,389
Event revenue	**27,182**	38,112
Interest revenue	**3,544**	8,403
	3,179,483	3,150,991
Expenses		
Salaries and benefits	**1,800,897**	1,675,432
Transmitter site expenses	**316,580**	266,872
Computer equipment maintenance	**273,732**	193,472
WFYT	**93,734**	98,260
Broadcasting fees	**91,692**	97,927
Telephone and utilities	**91,033**	90,165
Amortization	**89,783**	75,180
Advertising	**88,223**	65,892
General and administrative	**70,457**	88,302
Credit card charges	**64,310**	54,211
Fundraising	**55,549**	54,700
Insurance	**53,903**	40,813
Interest on long-term debt	**47,236**	40,241
Professional fees	**45,112**	84,436
Rent	**43,768**	30,662
Event expenses	**36,027**	76,975
Travel and entertainment	**35,606**	34,115
Vehicle expenses	**35,238**	40,774
Bank charges and interest	**35,041**	25,699
Property Tax	**27,708**	26,137
Training	**21,164**	32,297
Repairs and maintenance	**19,837**	21,164
Office supplies	**15,201**	5,292
Dues and fees	**12,855**	8,189
Miscellaneous	**8,498**	756
Bad debts	**1,846**	3,504
Engineering services	**1,564**	20,354
Total expenses	**3,476,594**	3,251,821
Deficiency of revenue over expenses before other items	**(297,111)**	(100,830)
Other items		
Gain on disposal of capital assets	**19,928**	13,900
Deficiency of revenue over expenses	**(277,183)**	(86,930)

The accompanying notes are an integral part of these financial statements

United Christian Broadcasters Media Canada
Statement of Changes in Net Assets
For the year ended December 31, 2024

	General	Invested in Capital Assets	2024	2023
Net assets, beginning of year	**(1,082,816)**	**1,731,601**	**648,785**	735,715
Deficiency of revenue over expenses	**(207,328)**	**(69,855)**	**(277,183)**	(86,930)
Purchases of capital assets during the year	**(131,158)**	**131,158**	**-**	-
Disposal of capital assets	**25,989**	**(25,989)**	**-**	-
Net assets, end of year	**(1,395,313)**	**1,766,915**	**371,602**	648,785

The accompanying notes are an integral part of these financial statements

United Christian Broadcasters Media Canada
Statement of Cash Flows
For the year ended December 31, 2024

	2024	*2023*
Cash provided by (used for) the following activities		
Operating		
Deficiency of revenue over expenses	**(277,183)**	(86,930)
Amortization	**89,783**	75,180
Gain on disposal of capital assets	**(19,928)**	(13,900)
CEBA loan forgiveness	**-**	(20,000)
	(207,328)	(45,650)
Changes in working capital accounts		
Accounts receivable and other amounts receivable	**(22,649)**	(4,298)
Prepaid expenses and deposits	**(26,765)**	33,435
Accounts payable and accruals	**102,071**	15,396
	(154,671)	(1,117)
Financing		
Advances on bank indebtedness	**95,126**	80,000
Repayments of bank indebtedness	**-**	(40,000)
Advances of long-term debt	**75,000**	-
Repayment of long-term debt	**(36,998)**	(48,765)
Deferred revenue	**(50,526)**	18,247
	82,602	9,482
Investing		
Purchase of capital assets	**(131,158)**	(259,968)
Proceeds on disposal of capital assets	**25,989**	20,500
	(105,169)	(239,468)
Decrease in cash resources	**(177,238)**	(231,103)
Cash resources, beginning of year	**205,836**	436,939
Cash resources, end of year	**28,598**	205,836

The accompanying notes are an integral part of these financial statements

1. Significant accounting policies

Nature of Business

United Christian Broadcasters Media Canada (the "Organization") is a Christian Media company operating radio stations specializing in Christian programming and print material.

The Organization was originally incorporated with Letters Patent dated August 17, 2001 under the Canada Corporations Act as a corporation without share capital. The Organization was continued under the Canada Not-For-Profit Corporations Act by a Certificate of Continuance dated May 6, 2014.

The Organization operates as a registered charitable organization and is exempt from income tax under subparagraph 149(1)(f) for the Canadian Income Tax Act.

Basis of accounting

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations.

Cash and cash equivalents

Cash and cash equivalents consists of cash on hand and cash in the bank.

Capital assets

Capital assets are stated at cost less accumulated amortization.

Amortization is provided using the straight-line method at rates intended to amortize the cost of assets over their estimated useful lives.

	Method	Years
Buildings	straight-line	25 to 50 years
Vehicle	straight-line	6 to 8 years
Computer equipment	straight-line	4 to 10 years
Radio equipment	straight-line	5 to 50 years
Furniture and equipment	straight-line	10 to 20 years
Radio transmitters	straight-line	10 to 20 years
Website	straight-line	3 years

Revenue recognition

The Organization follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Donations related to the purchase of land are netted against the purchase cost of the land.

Contributed materials

Volunteers contribute an indeterminable number of hours each year to assist the Organization in carrying out its activities. Because of the difficulty in determining their fair value, contributions of such services are not recognized in the financial statements.

Non-monetary transactions

In the normal course of its business, the Organization enters into non-monetary transactions under which goods and services are acquired in exchange for advertising and other services. These goods and services, which would otherwise be payable in cash, are accounted for at their fair market value.

Use of estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.

1. Significant accounting policies *(Continued from previous page)*

Financial instruments

The Organization recognizes financial instruments when the Organization becomes party to the contractual provisions of the financial instrument.

Arm's length financial instruments

Financial instruments originated/acquired or issued/assumed in an arm's length transaction ("arm's length financial instruments") are initially recorded at their fair value.

At initial recognition, the Organization may irrevocably elect to subsequently measure any arm's length financial instrument at fair value. The Organization has not made such an election during the period.

All financial assets and liabilities are subsequently accounted for using amortized cost. Financial assets measured at amortized cost include cash and accounts receivable. Financial liabilities measured at amortized cost include accounts payable and accruals, government remittances payable, and long-term-debt.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in deficiency of revenues over expenses. Conversely, transaction costs and financing fees are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

Related party financial instruments

The Organization initially measures the following financial instruments originated/acquired or issued/assumed in a related party transaction ("related party financial instruments") at fair value:

Investments in equity instruments quoted in an active market;
Debt instruments quoted in an active market ;
Debt instruments when the inputs significant to the determination of its fair value are observable (directly or indirectly)
Derivative contracts.

All other related party financial instruments are measured at cost on initial recognition. When the financial instrument has repayment terms, cost is determined using the undiscounted cash flows, excluding interest, dividend, variable and contingent payments, less any impairment losses previously recognized by the transferor. When the financial instrument does not have repayment terms, but the consideration transferred has repayment terms, cost is determined based on the repayment terms of the consideration transferred. When the financial instrument and the consideration transferred both do not have repayment terms, the cost is equal to the carrying or exchange amount of the consideration transferred or received.

At initial recognition, the Organization may elect to subsequently measure related party debt instruments that are quoted in active market, or that have observable inputs significant to the determination of fair value, at fair value.

The Organization has not made such an election during the period, thus all such related party debt instruments are subsequently measured at amortized cost.

The Organization subsequently measures investments in equity instruments quoted in an active market and all derivative instruments, except those designated in a qualifying hedging relationship or that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, at fair value. Fair value is determined by published price quotations. Financial instruments that were initially measured at cost and derivatives that are linked to, and must be settled by, delivery of unquoted equity instruments of another entity, are subsequently measured using the cost method less any reduction for impairment.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of related party financial instruments are immediately recognized in deficiency of revenues over expenses.

1. Significant accounting policies *(Continued from previous page)*

Financial instruments *(Continued from previous page)*

Financial asset impairment

The Organization assesses impairment of all its financial assets measured at cost or amortized cost. When there is an indication of impairment, the Organization determines whether it has resulted in a significant adverse change in the expected timing or amount of future cash flows during the period.

With the exception of related party debt instruments and related party equity instruments initially measured at cost, the Organization reduces the carrying amount of any impaired financial assets to the highest of: the present value of cash flows expected to be generated by holding the assets; the amount that could be realized by selling the assets at the statement of financial position date; and the amount expected to be realized by exercising any rights to collateral held against those assets.

For related party debt instruments initially measured at cost, the Organization reduces the carrying amount of the asset (or group of assets), to the highest of: the undiscounted cash flows expected to be generated by holding the asset, or group of similar assets, excluding the interest and dividend payments of the instrument; the present value of cash flows expected to be generated by holding the assets; the amount that could be realized by selling the assets at the statement of financial position date; and the amount expected to be realized by exercising any rights to collateral held against those assets.

Any impairment, which is not considered temporary, is included in deficiency of revenue over expenses.

The Organization reverses impairment losses on financial assets when there is a decrease in impairment and the decrease can be objectively related to an event occurring after the impairment loss was recognized. The amount of the reversal is recognized in deficiency of revenue over expenses in the year the reversal occurs.

2. Cash and bank

The Organization's bank accounts are held at three chartered banks and financial institutions. The bank accounts earn interest at nominal rates up to 1.45% annually.

3. Accounts receivable and other amounts receivable

	2024	*2023*
Trade accounts receivable	**137,113**	134,861
HST recoverable	**27,172**	34,957
Donations in transit	**87,201**	59,019
	251,486	228,837

4. Capital assets

	Cost	Accumulated amortization	2024 Net book value	2023 Net book value
Buildings	**1,543,306**	**244,972**	**1,298,334**	1,328,948
Vehicle	**7,672**	**4,465**	**3,207**	8,196
Computer equipment	**49,372**	**41,645**	**7,727**	16,975
Radio equipment	**254,362**	**152,831**	**101,531**	115,513
Furniture and equipment	**160,905**	**135,787**	**25,118**	34,772
Radio transmitters	**617,341**	**293,454**	**323,887**	196,179
Website	**5,118**	**2,002**	**3,116**	6,520
Assets not in use	**3,995**	**-**	**3,995**	24,498
	2,642,071	**875,156**	**1,766,915**	1,731,601

During the year, capital assets were acquired at an aggregate cost of $131,158 (2023 - $259,968) of which $Nil (2023 - $Nil) were acquired by means of long-term debt.

During the year, assets with a net book value of $6,061 were disposed of for proceeds of $25,989.

5. Bank indebtedness

	2024	2023
Operating line of credit	**160,000**	80,000
Bank indebtedness	**15,126**	-
	175,126	80,000

The Organization has an unused balance of $140,000 on the line of credit with a total credit limit of $300,000, that is due on demand and bears interest at the bank's prime rate plus 1.80%.

6. Deferred contributions

Deferred revenue consists of donations received for future capital and expansion costs.

	2024	2023
Balance, beginning of year	**443,944**	425,697
Amount received during the year	**41,699**	156,413
Less: Amounts recognized as revenue during the year	**(92,225)**	(138,166)
	393,418	443,944
Less: current portion	**33,923**	24,781
Balance, end of year	**359,495**	419,163

7. Long-term debt

	2024	*2023*
Mortgage payable - 5.15%, due December 2025, monthly payments of $5,769 interest and principal, secured by a general security agreement	**655,540**	617,538
1300800 Ontario Inc. loan - 5%, due June 2027, annual payments of interest only	**300,000**	300,000
	955,540	917,538
Less: Current portion	**655,540**	38,666
	300,000	878,872

Principal repayments on long-term debt in each of the next three years are estimated as follows:

	Principal
2025	655,540
2026	-
2027	300,000
Total	955,540

8. Commitments

The Organization has various operating leases for its premises expiring no later than January 2029.

The Organization has various operating leases for its vehicles, expiring no later than April 2027.

The Organization has various tower leases expiring no later than January 2034.

The Organization has an operating lease for scheduling software expiring no later than 2034.

The Organization has entered into various lease agreements with estimated minimum annual payments as follows:

2025	222,692
2026	176,339
2027	171,090
2028	136,762
2029	25,857
Thereafter	15,644
	748,384

9. Financial Instruments

Financial instruments are financial assets or liabilities of the Organization where, in general, the Organization has the right to receive cash or another financial asset from another party or the Organization has the obligation to pay another party cash or other financial assets.

Financial instruments consist of cash and bank, accounts receivable and other amounts receivable, bank indebtedness, accounts payable and accruals, and long-term debt.

The Organization initially recognized its financial instruments at fair value and subsequently measure them at amortized cost.

Financial assets measured at cost or amortized cost are tested for impairment at the end of each year and the amount of the write-down is recognized in net income. The previously recognized impairment loss may be reversed to the extent of the improvement and the amount of the reversal is recognized in net income. The reversal may be recorded provided it is no greater than the amount that had been previously reported as a reduction in the asset and it does not exceed the original cost.

Credit Risk

The Organization is exposed to credit risk in the event of non-performance by counterparties in connection with its accounts receivable. The maximum exposure to credit risk is the carrying value of accounts receivable, being $224,314 at year-end.

Interest Risk

Interest rate risk refers to the risk that the fair value of financial instruments will fluctuate due to changes in market interest rates. The exposure of the Organization to interest rate risk arises from its interest bearing bank financial instruments which are bank indebtedness and long-term debt. A significant portion of the Organization’s exposure with the above financial instruments is limited due to interest rates being fixed. The Organization has not quantified the impact that changes in interest rate will have on these instruments, but the risk is deemed to be within normal operating risk levels.